

CITY OF WAYNE, MICHIGAN
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2008

POST, SMYTHE, LUTZ & ZIEL OF WAYNE, LLP
Certified Public Accountants

Comprehensive Annual Financial Report City of Wayne, Michigan

For the Fiscal Year Ended
June 30, 2008

CITY COUNCIL

ABDUL "AL" HAIDOUS, *MAYOR*
DONNA M. MC EACHERN, *MAYOR PRO TEM*
THOMAS H. KELLY, *COUNCILMAN*
ALBERT M. DAMITIO, *COUNCILMAN*
PAMELA S. DOBROWOLSKI, *COUNCILWOMAN*
SUSAN M. ROWE, *COUNCILWOMAN*
MATHEW P. MULHOLLAND, *COUNCILMAN*

JOHN J. ZECH, *City Manager*

DEPARTMENT OF FINANCE

TIMOTHY D. McCURLEY, CPA
Finance Director - Treasurer

CAROLYNN S. PARNELL
Assistant Finance Director

BEVERLY A. SIMONS
Controller

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City of
WAYNE

FINANCE DEPARTMENT

November 18, 2008

Mayor Haidous
Mayor Pro Tem McEachern
Members of the City Council
City of Wayne
Wayne, Michigan

We are pleased to submit the City of Wayne Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2008. This report was prepared by the Finance Department. Responsibility for both the accuracy of the prepared data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds, and component units of the City. All necessary disclosures are included in the document to enable the reader to gain an understanding of the City's financial activities.

Governmental Accounting Standards Board (GASB) Statement No. 34 requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Wayne's MD&A can be found immediately following the report of the independent auditors.

REPORTING ENTITY AND SERVICES

This report includes all the funds of the City of Wayne as legally defined, as well as all of its component units. The component units are legally separate entities for which the City is financially accountable. The City has blended with its financial statements those of the City's Building Authority. The City of Wayne Downtown Development Authority, the Parks and Recreation Foundation, and the City of Wayne Housing Commission are included as discretely presented component units.

The City participates in the following joint ventures with other communities: the Nankin Transit Commission and the Central Wayne County Sanitation Authority. Note 4.D. in the Notes to the Financial Statements provides summary information for these joint ventures.

The City provides a full range of municipal services including public safety (police, fire and rescue), sanitation, public works, the construction and maintenance of highways and streets, parks and recreation, planning, zoning, development, library, water, sewers, building inspection and plan review, engineering, cemetery and general administrative services.

GOVERNMENTAL STRUCTURE

The City was incorporated in 1958 and operates under the Council-Manager form of government. Six Council members and a Mayor are elected at-large. Three Council members and the Mayor are elected biannually at each regular City election. The City Council appoints a City Manager, a City Attorney and an Independent Auditor.

MAJOR INITIATIVES ACCOMPLISHED 2007-2008

The City has completed the second phase of bonding for water & sewer projects. These projects were started in fiscal year 2006-2007 and will be done over a three-year period.

In May 2007 the residents of the City of Wayne voted to levy one mill for twenty five years for the upkeep of paved and unpaved roads, streets and sidewalks within the City. This millage is allowing the City to perform upkeep on the roads, streets and sidewalks on an ongoing basis.

In addition to the road and sidewalk millage, the City bonded for \$730,000 for the reconstruction of S. John Hix Road from Glenwood Road to Michigan Avenue. This project was completed by mid October of 2008.

The City of Wayne wanted to show the history of Wayne in a pictorial format. Two artists were hired to showcase the history of Wayne in a Mural. This project was also completed by mid October of 2008.

The City of Wayne Soroptimist Park Play 4 All Playground, the first "Boundless Playground" in Western Wayne County, is 1 of 130 in the United States. The playground means that children of all abilities now have the opportunity to play side by side. The project cost was close to \$400,000. The majority of this project was funded through grants and fundraisers. The "Boundless Playground" opened in late summer of 2008.

In January 2008, the City of Wayne began the process of updating and refurbishing the Community Center in the Recreation and Exercise Club area. This is a \$1,800,000 project. The project is slated to be completed by December of 2008.

Over the last two years, discussion has been ongoing between the City of Wayne and Municipal Employees Retirement System (MERS) to transfer the assets and administration of the City of Wayne's pension system to MERS. The transfer of the pension system will be completed by December of 2008.

The City placed in the 2007-2008 Budget the replacement of an aerial fire truck. The new fire truck is a 134 foot ladder truck. This truck was delivered in October of 2008.

MAJOR INITIATIVES PLANNED FOR 2008-2009

With the completion of the second phase of the bonding for water & sanitary sewer projects, the City is continuing its repair and replacement of water and sanitary sewer lines throughout the City. These projects will continue through the next fiscal.

With the passage of the road and sidewalk millage, the City continues the process of repairing and replacing the City's deficient streets, roads and sidewalks.

The City placed in the 2008-2009 Budget the replacement of a fire pumper. Two thirds of the pumper is being paid for by a Federal Grant with the remainder being paid for over the next seven years. As of this date, the pumper has been ordered and will be delivered within the next couple of months.

The City has been working on upgrading our early warning system. Currently, the City has three outdoor warning sirens. The City is looking at adding four additional sirens through grants and City funds.

LONG-TERM FINANCIAL PLANNING

During the month of January of each fiscal year, the Department Heads prepare a Goals Report for the City Manager. In these reports, each Department Head summarizes their current year achievements and recommends projects the City Council should consider in the coming years. The City Manager and the Department Heads then meet with Council to discuss these goals.

The Wayne City Council, in addition to holding these annual goals meetings, has adopted two financial policies to guide the process for long-term financial decisions. A Capital Improvement Policy, which sets capitalization thresholds and parameters for capital asset purchases, and an Investment Policy that provides guidelines for investment of the City's liquid assets.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The Administration is responsible for establishing, implementing and maintaining internal controls that are designed to insure that City assets are protected from loss, theft, misuse and to insure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management.

BUDGETARY CONTROL

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is maintained at the function/activity level. However, for internal accounting purposes, budgetary control is maintained by line item account. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

COMPONENT UNITS

The City of Wayne Building Authority is appointed by the City Council. However, the legal liability for the Authority's debt, remains with the City. Included in the financial statements are the City's discretely presented component units. The discretely presented component units are: the Downtown Development Authority (DDA), the Parks and Recreation Foundation, the Housing Commission and the Economic Development Corporation. The DDA captures tax revenues that are used to fund improvements to the downtown development district. The purpose of the Parks and Recreation Foundation is to promote and initiate programs to enhance recreational opportunities in the City and to promote recreational projects within the City. The Housing Commission operates within the geographic boundaries of the City and for the benefit of the City's residents. The Housing Commission is presented as a business-type activity, which has a December 31 year end. The Economic Development Corporation was inactive; therefore, no financial information is presented.

CASH MANAGEMENT

The City's investment policy is designed to safeguard capital and obtain a market rate of return. Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, obligations of the U.S. Treasury, U.S. Government Agencies, commercial paper and municipal pooled trusts, as permitted by state law and the City investment policy. All deposits were made in Michigan banks and financial institutions of high standards and quality.

RISK MANAGEMENT

The City maintains a Risk Management Internal Service Fund to administer property, casualty, and workers' compensation programs. The City participates in the Michigan Municipal Risk Management Authority (MMRMA) for property and liability insurance. The City is an approved self-insurer by the State of Michigan Department of Labor for workers' compensation benefits.

PENSION BENEFITS

The City has a Pension Trust Fund to finance the Employees' Retirement System. An actuarial study determines the annual funding required by the City to meet its future benefits obligations with the objective of a level percentage of payroll contribution. The latest actuary report has certified that the Retirement System is funded at 86.2% and is in good financial condition.

During the 2007-2008 Fiscal Year, the City started the process of transferring the assets and the administration of the pension system to Municipal Employees Retirement System (MERS). Employees are required to contribute 7% of their wages and the City's contribution is determined actuarially.

INDEPENDENT AUDIT

State statute and the City Charter require an annual audit of the financial records and transactions of the City by independent certified accountants. The accounting firm of Post, Smythe, Lutz & Ziel, LLP, was selected to perform the annual audit for the fiscal year ended June 30, 2008. The independent auditor's report is presented in the first component of the financial section of this report.

AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wayne for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2007. This was the nineteenth consecutive year the City achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

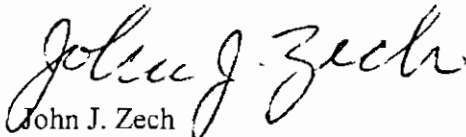
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements; therefore, we are submitting it to the GFOA to determine its eligibility for another Certificate.

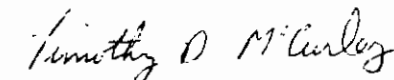
ACKNOWLEDGEMENTS

The timely preparation of this report was made possible by the efficient and dedicated service of the entire Finance Department staff and our independent auditors, Post, Smythe, Lutz & Ziel LLP. Each of them has our sincere appreciation.

In closing, without the leadership and support of the Mayor and the City Council, who have consistently supported the City's goal of excellence in all respects of financial management, preparation of this report would not have been possible.

Respectfully submitted,


John J. Zech
City Manager


Timothy D. McCurley, CPA
Finance Director/Treasurer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Wayne
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

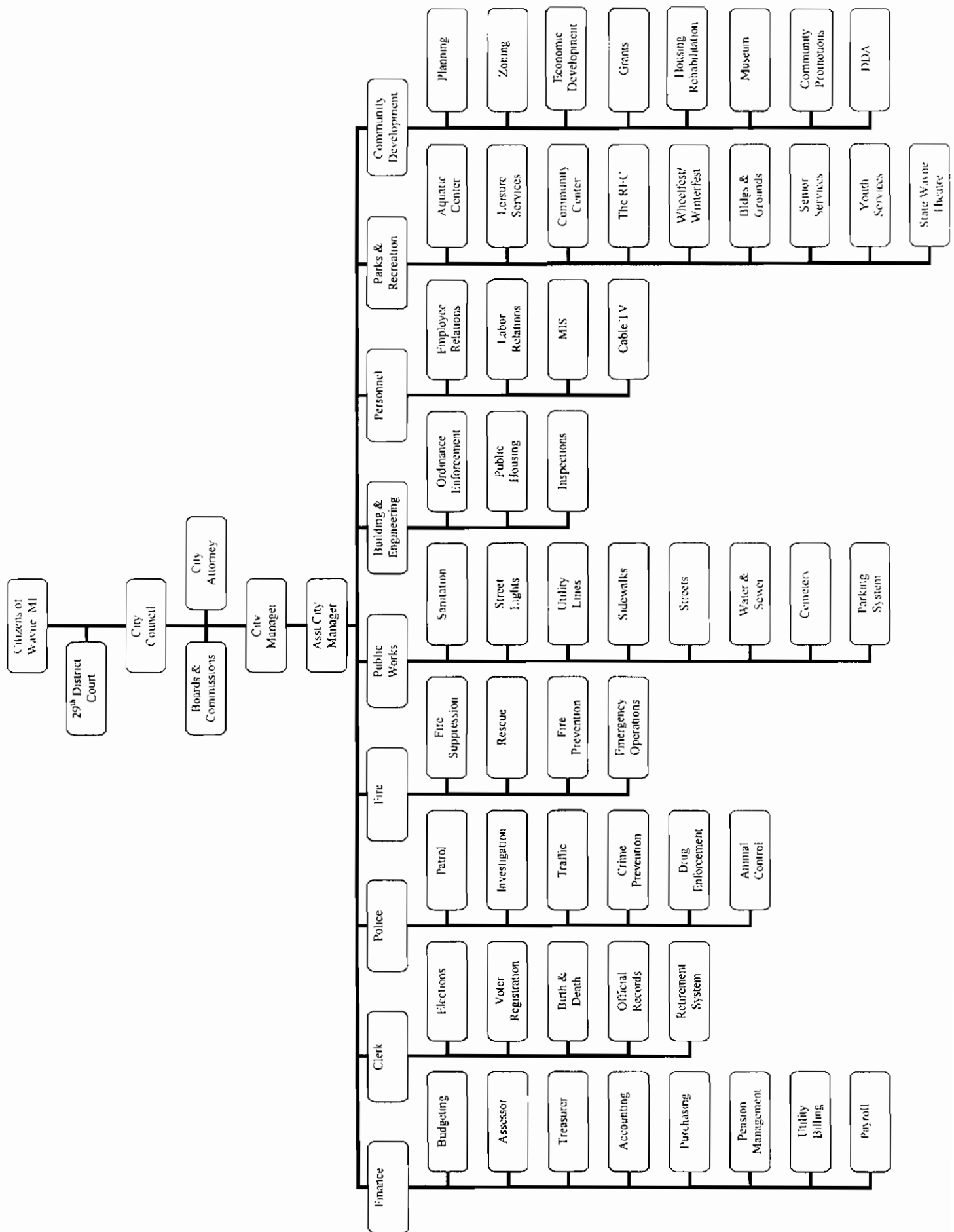


Charles S. Cox

President

Jeffrey R. Enen

Executive Director



City of Wayne, Michigan List of Principal Officials

June 30, 2008

| TITLE | NAME |
|---|-----------------------|
| City Manager | John J. Zech |
| Assistant City Manager/ Personnel Director | Robert C. English |
| Chief of Police | John Williams |
| City Attorney | Richard S. Clark |
| City Clerk | Mary E. Carney |
| City Engineer | Ramzi J. El-Gharib |
| City Treasurer/Finance Director | Timothy D. McCurley |
| Community Development Director | Peter J. McInerney |
| Director of Parks & Recreation | Kimberly J. Alexander |
| DPW Superintendent | Thomas MacDonald |
| Fire Chief | Melvin Moore |



POST, SMYTHE, LUTZ & ZIEL OF WAYNE, LLP

Certified Public Accountants

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Kathy Billings, C.P.A., C.V.A.

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Cari Ford, C.P.A.
Wendy Leung Lee, C.P.A., C.V.A.

INDEPENDENT AUDITOR'S REPORT

October 28, 2008

To the City Council
City of Wayne, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Wayne, Michigan as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the City's nonmajor governmental, internal service, and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of City of Wayne, Michigan's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Wayne Housing Commission component unit, which statements reflect total assets of \$1,049,478 as of December 31, 2007, and total revenues of \$498,308 for the year then ended. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Wayne Housing Commission nonmajor component unit, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Wayne, Michigan, as of June 30, 2008, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the

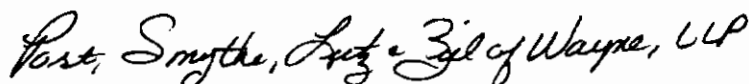
respective financial position of each nonmajor governmental, internal service, and fiduciary funds of the City of Wayne, Michigan, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the ten nonmajor special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2008, on our consideration of the City of Wayne, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 17 through 26 and 81 through 85, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wayne, Michigan's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of City of Wayne, Michigan. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,



POST, SMYTHE, LUTZ & ZIEL OF WAYNE, LLP
Certified Public Accountants

CITY OF WAYNE, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2008

Page 1

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Wayne's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2008. Please read it in conjunction with the transmittal letter beginning on page 5 and the City's financial statements, which begin on page 27.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 27-29) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 31. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the City as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the City as a whole begins on page 20. The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer the question – "Is the City as a whole better off or worse off as a result of the year's activities?" These statements include *all* assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net assets* and changes in them. You can think of the City's net assets - the difference between assets and liabilities - as one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's roads and other infrastructure, to assess the *overall health* of the City.

CITY OF WAYNE, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2008

Page 2

In the Statement of Net Assets and the Statement of Activities, we divide the City into three kinds of activities:

- Governmental activities - Most of the City's basic services are reported here, including general government (administration), district court, public safety (police, fire and animal control), public services, community and economic development and recreation and culture (including parks, recreation, library and museum). Property taxes, state shared revenues (sales and gas and weight tax) and federal grants finance most of these activities.
- Business-type activities - The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer system is reported here.
- Component units - The City includes three separate legal entities in its report - the Downtown Development Authority, the Wayne Housing Commission and the Parks and Recreation Foundation. Although legally separate, these "component units" are important because the City is financially accountable for them.

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the City's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Some of the individual line item revenues reported for each function are:

| | |
|--------------------|---|
| General Government | Licenses and fees |
| District Court | One-half of ordinance fines and costs, probation oversight fees, bond forfeitures and other court fees; State grant for district judge salary. |
| Public Safety | One-half of ordinance fines and costs - police department; rescue fees and emergency response fees - fire department; State funds for 911 service fees; Federal operating and capital grants for police and fire. |
| Public Services | Building, electrical and other permits and licenses. State shared revenues for gas and weight tax and truck line maintenance. |

CITY OF WAYNE, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2008

Page 3

| | |
|------------------------------------|--|
| Community and Economic Development | Federal CDBG grants for housing rehabilitation. |
| Health and Welfare | Youth Assistance Program |
| Recreation and Culture | Recreation rentals, memberships and daily fees for the aquatic center, ice arena and community center; Federal CDBG capital grant for parks; library fines and fees; State grant for library operations. |

All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

Reporting the City's Most Significant Funds

Our analysis of the City's major funds begins on page 22. The fund financial statements begin on page 31 and provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes (like the refuse collection and disposal fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from Wayne County for the Community Development Block Grant program). The City's two kinds of funds - *governmental* and *proprietary* - use different accounting approaches.

- *Governmental funds* - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* in reconciliations on page 32 and page 34 which follow the fund financial statements - Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

CITY OF WAYNE, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2008

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- *Proprietary funds* - When the City charges customers for services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's enterprise fund (a component of proprietary funds) is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities - such as the City's DPW Services Fund.

The City as Trustee

Reporting the City's Fiduciary Responsibilities

The City is the trustee, or *fiduciary*, for its employees' pension plan, which includes the assets in the Public Employee Health Care Fund that can only be used for retirees and their beneficiaries health care. All of the City's fiduciary activities are reported in separate Statements of Net Assets and Changes in Fiduciary Net Assets on pages 38 and 39. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE CITY AS A WHOLE

For the year ended June 30, 2008, net assets changed as follows:

| Net Assets | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|--------------------------------|----------------------------|---------------------|-----------------------------|---------------------|-----------------------------|---------------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Current and Other Assets | \$14,217,160 | \$12,826,855 | \$7,498,424 | \$10,368,849 | \$21,715,584 | \$23,195,704 |
| Capital Assets | <u>40,978,959</u> | <u>40,942,424</u> | <u>28,164,928</u> | <u>25,714,556</u> | <u>69,143,887</u> | <u>66,656,980</u> |
| Total Assets | <u>55,196,119</u> | <u>53,769,279</u> | <u>35,663,352</u> | <u>36,083,405</u> | <u>90,859,471</u> | <u>89,852,684</u> |
| Long-Term Debt Outstanding | (21,892,539) | (22,866,495) | (16,827,909) | (17,277,282) | (38,720,448) | (40,143,777) |
| Other Liabilities | <u>(4,090,857)</u> | <u>(3,029,071)</u> | <u>(1,822,292)</u> | <u>(2,087,717)</u> | <u>(5,913,149)</u> | <u>(5,116,788)</u> |
| Total Liabilities | <u>(25,983,396)</u> | <u>(25,895,566)</u> | <u>(18,650,201)</u> | <u>(19,364,999)</u> | <u>(44,633,597)</u> | <u>(45,260,565)</u> |
| Net Assets: | | | | | | |
| Invested in Capital Assets Net | | | | | | |
| Of Related Debt | 21,524,982 | 17,038,424 | 10,862,019 | 7,892,274 | 32,387,001 | 24,930,698 |
| Restricted | 493,198 | 474,942 | 721,582 | 780,260 | 1,214,780 | 1,255,202 |
| Unrestricted | <u>7,194,543</u> | <u>10,360,347</u> | <u>5,429,550</u> | <u>8,045,872</u> | <u>12,624,093</u> | <u>18,406,219</u> |
| Total Net Assets | <u>\$29,212,723</u> | <u>\$27,873,713</u> | <u>\$17,013,151</u> | <u>\$16,718,406</u> | <u>\$46,225,874</u> | <u>\$44,592,119</u> |

CITY OF WAYNE, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2008

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Net assets of the City's governmental activities increased by 4.8% (\$29,212,723 compared to \$27,873,713). Governmental activities were charged with \$1,946,603 of depreciation and the general fund experienced \$104,958 of net change in fund balance.

Net assets of the business-type activities increased by 1.8% (\$17,013,151 compared to \$16,718,406). This was a slight increase from last year's decrease of 1.2%.

Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements changed from \$10,360,347 at June 30, 2007 to \$7,194,543 June 30, 2008.

Governmental Activities

| | Governmental Activities | | Business-type Activities | | Totals Primary Government | |
|--|------------------------------------|---------------------|-------------------------------------|---------------------|--------------------------------------|---------------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | \$3,554,150 | \$3,560,915 | \$7,622,303 | \$7,176,085 | \$11,176,453 | \$10,737,000 |
| Federal Grants | 460,607 | 391,002 | - | - | 460,607 | 391,002 |
| State Grants and Entitlements | 4,034,031 | 5,277,975 | - | - | 4,034,031 | 5,277,975 |
| County Grant | 169,757 | 23,115 | - | - | 169,757 | 23,115 |
| Private Contributions | 747,915 | 319,557 | - | - | 747,915 | 319,557 |
| General Revenues: | | | | | | |
| Property Taxes | 10,760,226 | 9,670,556 | - | - | 10,760,226 | 9,670,556 |
| Franchise Fee | 198,243 | 187,644 | - | - | 198,243 | 187,644 |
| Investment Earnings | 676,563 | 816,207 | 341,395 | 514,695 | 1,017,958 | 1,330,902 |
| Miscellaneous Revenues | <u>101,957</u> | <u>109,737</u> | <u>-</u> | <u>-</u> | <u>101,957</u> | <u>109,737</u> |
| Total Revenues | <u>20,703,449</u> | <u>20,356,708</u> | <u>7,963,698</u> | <u>7,690,780</u> | <u>28,667,147</u> | <u>28,047,488</u> |
| Program Expenses | | | | | | |
| General Government | 1,970,019 | 1,784,943 | - | - | 1,970,019 | 1,784,943 |
| District Court | 692,771 | 734,204 | - | - | 692,771 | 734,204 |
| Public Safety | 7,313,360 | 7,191,088 | - | - | 7,313,360 | 7,191,088 |
| Public Services | 4,341,996 | 3,796,078 | - | - | 4,341,996 | 3,796,078 |
| Health and Welfare | 251,325 | - | - | - | 251,325 | - |
| Community and Economic Development | 156,836 | 84,557 | - | - | 156,836 | 84,557 |
| Recreation and Culture | 3,720,896 | 3,931,113 | - | - | 3,720,896 | 3,931,113 |
| Other Functions | - | - | - | - | - | - |
| Interest of Long-Term Debt | 917,236 | 950,719 | - | - | 917,236 | 950,719 |
| Water and Sewer | - | - | 7,668,953 | 7,887,619 | 7,668,953 | 7,887,619 |
| Total Expenses | <u>19,364,439</u> | <u>18,472,702</u> | <u>7,668,953</u> | <u>7,887,619</u> | <u>27,033,392</u> | <u>26,360,321</u> |
| Excess (Deficiency) before Special Item and Transfers | 1,339,010 | 1,884,006 | 294,745 | (196,839) | 1,633,755 | 1,687,167 |
| Special Item Transfers | - | - | - | - | - | - |
| Increase (Decrease) in net Assets | <u>1,339,010</u> | <u>1,884,006</u> | <u>294,745</u> | <u>(196,839)</u> | <u>1,633,755</u> | <u>1,687,167</u> |
| Net Assets, Beginning | <u>27,873,713</u> | <u>25,989,707</u> | <u>16,718,406</u> | <u>16,915,245</u> | <u>44,592,119</u> | <u>42,904,952</u> |
| Net Assets, Ending | <u>\$29,212,723</u> | <u>\$27,873,713</u> | <u>\$17,013,151</u> | <u>\$16,718,406</u> | <u>\$46,225,874</u> | <u>\$44,592,119</u> |

**CITY OF WAYNE, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2008**

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Revenues for governmental activities totaled \$20,703,449 for fiscal year 2007-08. This is an increase of 1.7% over fiscal year 2006-07 revenues of \$20,356,708. A total of \$10,760,226 was in the form of property tax collections, an increase of \$1,089,670 over the previous fiscal year. This increase was a result of an increase in taxable value of \$3,212,262 and the passage of a road millage by the residents of Wayne. State Grants and Entitlements decreased by 23.6% from the prior year. State-shared revenues continue to be of concern. The City received \$2,140,437 in fiscal year 2007-08 and we have budgeted for a slight increase for fiscal year 2008-09. The state budget, however, continues to be in crisis with no signs of recovering anytime soon.

Business-type Activities

The City has one business-type activity - the Water and Sewer System Fund. The operating revenues of the City's Water and Sewer System Fund increased by 6.2% (\$7,176,085 in 2006-07 compared to \$7,622,303 in 2007-08) while operating expenses decreased by 4.8% (\$7,297,123 in 2006-07 compared to \$6,947,476 in 2007-08). Interest earned in the Water and Sewer Fund decreased from \$514,695 in the prior year to \$341,395 in the current year. The City had a net income in the Water and Sewer Fund for the current year of \$294,745 compared to a net loss of \$(196,839) in the prior year.

The City purchases water from the City of Detroit. The Detroit rates to the City increased from \$9.45 per mcf during 2006-07 to \$10.14 per mcf during 2007-08, a 7.30% increase. The rates charged to our customers were increased by 5.1%

THE CITY'S FUNDS

As of June 30, 2008, the governmental funds of the City, as presented in the balance sheet on page 31, reported a combined fund balance of \$4,451,469, which reflects a decrease of \$133,991 from the prior year. The General Fund showed an increase in the fund balance of \$104,958. The majority of this was due to an increase in charges for services and sales. In addition, these other changes in fund balances should be noted:

- The fund balance in the Major Street Fund decreased by \$247,437. This represents an increase in construction and routine maintenance on major streets.

**CITY OF WAYNE, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2008**

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GENERAL FUND BUDGETARY HIGHLIGHTS

During the current year, the City Council revised the General Fund budget once.

- The total amount of the budget amendment was a reduction of \$708,462. Increases in overtime, fringe benefits, and a MTT refund that occurred during the year for previous years' taxes were offset by the reduction of capital outlay for a ladder truck that will be delivered in the 2008-09 fiscal year.

CAPITAL ASSETS

At the end of June 30, 2008, the City had \$69,143,887 invested in capital assets including land and land improvements, buildings, improvements, equipment (including police and fire equipment), park facilities, roads, bridges and water and sewer lines (see table below). This represents an increase of \$2,486,907 or 3.7% over the previous year.

| | Governmental Activities | | Business-type Activities | | Totals Primary Government | |
|--------------------------|------------------------------------|---------------------|-------------------------------------|---------------------|--------------------------------------|---------------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Land & Land Improvements | \$4,399,240 | \$4,354,766 | \$ - | \$ - | \$4,399,240 | \$4,354,766 |
| Buildings | 26,116,264 | 26,800,785 | - | - | 26,116,264 | 26,800,785 |
| Improvements | 2,129,567 | 1,877,638 | - | - | 2,129,567 | 1,877,638 |
| Equipment | 2,095,834 | 2,100,178 | 84,477 | 61,940 | 2,180,311 | 2,162,118 |
| Infrastructure | 6,238,054 | 5,809,057 | - | - | 6,238,054 | 5,809,057 |
| Utility Property | - | - | 27,202,837 | 24,520,250 | 27,202,837 | 24,520,250 |
| Construction-in-Progress | - | - | <u>877,614</u> | <u>1,132,366</u> | <u>877,614</u> | <u>1,132,366</u> |
| | <u>\$40,978,959</u> | <u>\$40,942,424</u> | <u>\$28,164,928</u> | <u>\$25,714,556</u> | <u>\$69,143,887</u> | <u>\$66,656,980</u> |

This years major additions included:

Construction in Progress – Replacement of water, sewer and storm lines \$877,614

Additional information on the City of Wayne's capital assets can be found in note 3C on pages 62-64 of this report.

**CITY OF WAYNE, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2008**

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DEBT ADMINISTRATION

At year end, the City has \$36,715,000 in outstanding general obligation bonds, \$169,843 in notes payable and \$199,134 in capital leases payable. This is a \$1,492,602 or a 3.9% decrease over the prior year total balance of \$38,576,579 as shown in the following table.

| | Governmental Activities | | Business-type Activities | | Totals Primary Government | |
|--------------------------|------------------------------------|---------------------|-------------------------------------|---------------------|--------------------------------------|---------------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| General Obligation Bonds | \$19,085,000 | \$19,870,000 | \$17,630,000 | \$18,175,000 | \$36,715,000 | \$38,045,000 |
| Notes Payable | 169,843 | 236,926 | - | - | 169,843 | 236,926 |
| Capital Leases | 199,134 | 294,653 | - | - | 199,134 | 294,653 |
| | <u>\$19,453,977</u> | <u>\$20,401,579</u> | <u>\$17,630,000</u> | <u>\$18,175,000</u> | <u>\$37,083,977</u> | <u>\$38,576,579</u> |

The City of Wayne received an A3 rating from Moodys Investors Service noting historically well managed and stable financial operations. Under current state statutes, the City of Wayne's general obligation bonded debt issuances are subject to a legal limitation based on 10 percent of the total assessed value of real and personal property. As of June 30, 2008, the City of Wayne's net general obligation bonded debt was well below the legal limit of \$85,336,880. Additional information on the City of Wayne's long-term debt can be found in Note 3E on pages 65-69 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal year 2008-09 Budget, tax rates and fees that will be charged to business type activities. One of those factors is the economy. The City of Wayne's unemployment rate is at 7.0% for 2008.

According to the Research Seminar in Quantitative Economics at the University of Michigan, they are forecasting the pace of job loss moderates during 2009. They anticipate a return to positive employment growth in 2010 when jobs are added a rate of 0.8 percent during the year. with no return to positive job growth until the spring of 2009-and modest growth at that. Personal income growth slows in 2009 to 2.1 percent from 2.8 percent for 2008. Growth surges to 4.1 percent in 2010 as the economy picks up steam.

CITY OF WAYNE, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2008

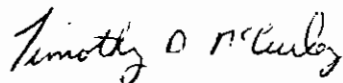
Page 9

Approved appropriations by the City Council in the General Fund budget are \$21,955,894 for the 2008-09 fiscal year which is an increase of 7.6% over FY 2007-08 actual expenditures and transfers out of \$20,406,016. Revenue projections are budgeted at \$21,693,058 plus a usage of fund balance of \$262,836. Property tax assessment increases and significant transfers in from other funds are expected. The revenue budget reflects a 5.8% increase over the June 30, 2008 actual amount of \$20,510,974. State revenue sharing plays a significant role in the City of Wayne's budget, accounting for over 10.0% of total General Fund revenue. The City of Wayne and all local communities continue to be vulnerable to statutory revenue sharing cuts by the State. If future cuts are imminent, the City is again making plans to be prepared.

The major capital projects the City of Wayne has planned for fiscal year 2008-09 budget is the water & sewer project, the completion of the Whitney Knoll Subdivision grading project, the starting of the Woodbrook Subdivision road grading and re-ditching project, Elizabeth Street repaving from Michigan Avenue south to Annapolis. In addition, the City has ordered a new ladder truck and a new pumper for our Fire Department. These two vehicles will be placed in service during the 2008-09 fiscal year. Major renovations at the Wayne Community Center were started and will be completed in the upcoming fiscal year.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report, contact the City's finance office at 3355 South Wayne Road, Wayne, Michigan 48184


Timothy D. McCurley, CPA
Finance Director/City Treasurer

CITY OF WAYNE, MICHIGAN
STATEMENT OF NET ASSETS
JUNE 30, 2008

| | PRIMARY GOVERNMENT | | | COMPONENT UNITS |
|---|----------------------------|-----------------------------|---------------|--------------------|
| | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL | |
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | \$ 11,956,357 | \$ 6,063,012 | \$ 18,019,369 | \$ 2,193,297 |
| Investments | -- | 319,201 | 319,201 | -- |
| Receivables (Net) | 1,452,102 | 1,002,398 | 2,454,500 | 14,923 |
| Internal Balances | 187,598 | (187,598) | -- | -- |
| Inventories | 244,520 | -- | 244,520 | 21,469 |
| Prepaid Expenses | 251,940 | 150 | 252,090 | 7,215 |
| Deferred Charges | 124,643 | -- | 124,643 | -- |
| Restricted Assets: | | | | |
| Cash and Cash Equivalents | -- | 282,264 | 282,264 | -- |
| Total Current Assets | 14,217,160 | 7,479,427 | 21,696,587 | 2,236,904 |
| Noncurrent Assets: | | | | |
| Cash and Cash Equivalents | -- | 18,997 | 18,997 | -- |
| Land Contract Receivable | -- | -- | -- | 169,844 |
| Capital Assets (Note 3C): | | | | |
| Land, Improvements, and Construction in Progress | 4,399,240 | 877,614 | 5,276,854 | 1,578,760 |
| Other Capital Assets, Net of Depreciation | 36,579,719 | 27,287,314 | 63,867,033 | 7,504,816 |
| Total Capital Assets | 40,978,959 | 28,164,928 | 69,143,887 | 9,083,576 |
| Total Noncurrent Assets | 40,978,959 | 28,183,925 | 69,162,884 | 9,253,420 |
| Total Assets | 55,196,119 | 35,663,352 | 90,859,471 | 11,490,324 |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Accounts Payable and Accrued Expenses | 2,564,715 | 1,292,612 | 3,857,327 | 1,403,616 |
| Unearned Revenue | 68,643 | -- | 68,643 | 170,901 |
| Current Portion of Long-Term Debt (Note 3E) | 1,228,647 | -- | 1,228,647 | 78,471 |
| Liabilities Payable from Restricted Assets | | | | |
| Current Portion of Long-Term Debt | -- | 475,000 | 475,000 | -- |
| Accrued Interest Payable | 228,852 | 54,680 | 283,532 | -- |
| Total Current Liabilities | 4,090,857 | 1,822,292 | 5,913,149 | 1,652,988 |
| Long-Term Liabilities (Note 3E): | | | | |
| Long-Term Debt, Net of Current Portion | 21,892,539 | 16,827,909 | 38,720,448 | 85,683 |
| Total Liabilities | 25,983,396 | 18,650,201 | 44,633,597 | 1,738,671 |
| NET ASSETS | | | | |
| Invested in Capital Assets, Net of Related Debt | 21,524,982 | 10,862,019 | 32,387,001 | 8,919,422 |
| Restricted For: | | | | |
| Debt Service | 35,254 | 702,585 | 737,839 | -- |
| Cemetery Perpetual Care (Nonexpendable) | 326,975 | -- | 326,975 | -- |
| Other Purposes | 130,969 | 18,997 | 149,966 | -- |
| Unrestricted | 7,194,543 | 5,429,550 | 12,624,093 | 832,231 |
| Total Net Assets | \$ 29,212,723 | \$ 17,013,151 | \$ 46,225,874 | \$ 9,751,653 |

The accompanying notes are an integral part of this statement.

**CITY OF WAYNE, MICHIGAN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008**

| FUNCTIONS/PROGRAMS | PROGRAM REVENUES | | | |
|------------------------------------|-------------------------|-----------------------------|---|---|
| | EXPENSES | CHARGES FOR SERVICES | OPERATING GRANTS AND CONTRIBUTIONS | CAPITAL GRANTS AND CONTRIBUTIONS |
| PRIMARY GOVERNMENT: | | | | |
| Governmental Activities: | | | | |
| General Government | \$ 1,970,019 | \$ 215,440 | \$ 32,431 | \$ 423,344 |
| District Court | 692,771 | 685,662 | 59,451 | -- |
| Public Safety | 7,313,360 | 910,518 | 239,700 | -- |
| Public Services | 4,341,996 | 619,745 | 1,572,595 | -- |
| Health and Welfare | 251,325 | 19,591 | 66,883 | -- |
| Community and Economic Development | 156,836 | -- | 180,753 | -- |
| Recreation and Culture | 3,720,896 | 1,103,194 | 420,911 | 275,805 |
| Interest on Long-Term Debt | 917,236 | -- | -- | -- |
| Total Governmental Activities | 19,364,439 | 3,554,150 | 2,572,724 | 699,149 |
| Business-type Activities: | | | | |
| Water and Sewer | 7,668,953 | 7,622,303 | -- | -- |
| Total Primary Government | \$ 27,033,392 | \$ 11,176,453 | \$ 2,572,724 | \$ 699,149 |
| COMPONENT UNITS: | | | | |
| Downtown Development Authority | \$ 6,122,299 | \$ 407,399 | \$ -- | \$ -- |
| Parks and Recreation Foundation | 106 | -- | -- | -- |
| Wayne Housing Commission | 403,768 | 166,856 | 328,810 | 63,284 |
| Total Component Units | \$ 6,526,173 | \$ 574,255 | \$ 328,810 | \$ 63,284 |

General Revenues:

Taxes:

Property taxes, levied for general purposes

Property taxes, levied for debt service

Property taxes, levied for refuse

Property taxes, levied for library

Property taxes, levied for road program

Franchise Fee

Investment Earnings

Grants and Contributions not restricted to specific programs

Miscellaneous

Total General Revenues

Change in net assets

Net Assets, Beginning

Net Assets, Ending

The accompanying notes are an integral part of this statement.

NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS

PRIMARY GOVERNMENT

| GOVERNMENTAL ACTIVITIES | BUSINESS- TYPE ACTIVITIES | TOTAL | COMPONENT UNITS |
|------------------------------------|--|----------------------|----------------------------|
| \$ (1,298,804) | \$ -- | \$ (1,298,804) | \$ -- |
| 52,342 | -- | 52,342 | -- |
| (6,163,142) | -- | (6,163,142) | -- |
| (2,149,656) | -- | (2,149,656) | -- |
| (164,851) | -- | (164,851) | -- |
| 23,917 | -- | 23,917 | -- |
| (1,920,986) | -- | (1,920,986) | -- |
| (917,236) | -- | (917,236) | -- |
| <u>(12,538,416)</u> | <u>--</u> | <u>(12,538,416)</u> | <u>--</u> |
| -- | (46,650) | (46,650) | -- |
| <u>(12,538,416)</u> | <u>(46,650)</u> | <u>(12,585,066)</u> | <u>--</u> |
| -- | -- | -- | (5,714,900) |
| -- | -- | -- | (106) |
| -- | -- | -- | 155,182 |
| <u>--</u> | <u>--</u> | <u>--</u> | <u>(5,559,824)</u> |
| 8,446,165 | -- | 8,446,165 | 6,047,646 |
| 428 | -- | 428 | -- |
| 981,983 | -- | 981,983 | -- |
| 666,869 | -- | 666,869 | -- |
| 664,781 | -- | 664,781 | -- |
| 198,243 | -- | 198,243 | -- |
| 676,563 | 341,395 | 1,017,958 | 93,853 |
| 2,140,437 | -- | 2,140,437 | -- |
| 101,957 | -- | 101,957 | -- |
| <u>13,877,426</u> | <u>341,395</u> | <u>14,218,821</u> | <u>6,141,499</u> |
| 1,339,010 | 294,745 | 1,633,755 | 581,675 |
| 27,873,713 | 16,718,406 | 44,592,119 | 9,169,978 |
| <u>\$ 29,212,723</u> | <u>\$ 17,013,151</u> | <u>\$ 46,225,874</u> | <u>\$ 9,751,653</u> |

CITY OF WAYNE, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

| | General Fund | Major Street and Trunkline Fund | Local Street Fund | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|---------------------------------------|----------------------|--------------------------------|--------------------------------|
| ASSETS | | | | | |
| Cash and Cash Equivalents | \$ 3,060,896 | \$ 67,617 | \$ 398,662 | \$ 2,165,839 | \$ 5,693,014 |
| Receivables: | | | | | |
| Accounts (Net) | 182,443 | 54 | -- | 20,919 | 203,416 |
| Taxes (Net) | 66,338 | -- | -- | 11,401 | 77,739 |
| Intergovernmental | 355,467 | 120,531 | 45,900 | 465,310 | 987,208 |
| Land Contracts | -- | -- | -- | 17,939 | 17,939 |
| Due from Other Funds | 146,103 | -- | 58,139 | 75,000 | 279,242 |
| Interfund Receivables | 84,790 | -- | -- | -- | 84,790 |
| Inventory | 3,400 | -- | -- | -- | 3,400 |
| Prepaid Items | 23,724 | -- | -- | 750 | 24,474 |
| Total Assets | <u>\$ 3,923,161</u> | <u>\$ 188,202</u> | <u>\$ 502,701</u> | <u>\$ 2,757,158</u> | <u>\$ 7,371,222</u> |
| LIABILITIES AND FUND BALANCE | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | \$ 1,229,211 | \$ 28,358 | \$ 52,083 | \$ 471,323 | \$ 1,780,975 |
| Due to Other Funds | 7,459 | 61,100 | 12,964 | 224,051 | 305,574 |
| Interfund Payable | -- | -- | -- | 84,790 | 84,790 |
| Accrued Salaries and Wages | 270,214 | -- | -- | 9,741 | 279,955 |
| Accrued Compensated Absences | 1,396 | -- | -- | -- | 1,396 |
| Deposits | 7,543 | -- | -- | 700 | 8,243 |
| Deferred Revenue | 113,984 | 4,254 | -- | 340,582 | 458,820 |
| Total Liabilities | <u>1,629,807</u> | <u>93,712</u> | <u>65,047</u> | <u>1,131,187</u> | <u>2,919,753</u> |
| Fund Balances: | | | | | |
| Reserved for: | | | | | |
| Prepaid Items | 23,724 | -- | -- | 750 | 24,474 |
| Police (Note 3.H.) | 130,969 | -- | -- | -- | 130,969 |
| Debt Service | -- | -- | -- | 35,254 | 35,254 |
| Capital Projects | -- | -- | -- | 169,094 | 169,094 |
| Perpetual Care (Nonexpendable) | -- | -- | -- | 326,975 | 326,975 |
| Unreserved: | | | | | |
| Designated for: | | | | | |
| Equipment | 190,000 | -- | -- | -- | 190,000 |
| Construction | 180,000 | -- | -- | -- | 180,000 |
| Compensated Absences | 1,180,430 | -- | -- | -- | 1,180,430 |
| Compensated Absences - Special Revenue | -- | -- | -- | 26,094 | 26,094 |
| Undesignated | 588,231 | 94,490 | 437,654 | -- | 1,120,375 |
| Undesignated Reported in Nonmajor: | | | | | |
| Special Revenue Funds | -- | -- | -- | 877,092 | 877,092 |
| Capital Projects Funds | -- | -- | -- | 190,712 | 190,712 |
| Total Fund Balance | <u>2,293,354</u> | <u>94,490</u> | <u>437,654</u> | <u>1,625,971</u> | <u>4,451,469</u> |
| Total Liabilities and Fund Balance | <u>\$ 3,923,161</u> | <u>\$ 188,202</u> | <u>\$ 502,701</u> | <u>\$ 2,757,158</u> | <u>\$ 7,371,222</u> |

The accompanying notes are an integral part of this statement.

CITY OF WAYNE, MICHIGAN
RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCE TO NET ASSETS OF
GOVERNMENTAL ACTIVITIES
JUNE 30, 2008

| | |
|--|----------------------|
| Total Governmental Fund Balances | \$ 4,451,469 |
| Amounts reported for governmental activities in the statement of net assets are different because: | |
| Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. | 39,328,120 |
| Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds. | 92,912 |
| Internal Service Funds are used by management to charge the costs of certain activities, such as insurance and equipment use to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets. | 8,217,069 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds. | <u>(22,876,847)</u> |
| Net Assets of Governmental Activities | <u>\$ 29,212,723</u> |

The accompanying notes are an integral part of this statement.

CITY OF WAYNE, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

| | General Fund | Major Street and Trunkline Fund | Local Street Fund | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|---------------------------------------|----------------------|--------------------------------|--------------------------------|
| Revenues | | | | | |
| Taxes | \$ 8,489,112 | \$ -- | \$ -- | \$ 2,314,060 | \$ 10,803,172 |
| Licenses and Permits | 374,632 | -- | -- | -- | 374,632 |
| Intergovernmental | 2,310,959 | 752,864 | 280,113 | 506,084 | 3,850,020 |
| Charges for Services | 2,152,931 | -- | -- | 60,782 | 2,213,713 |
| Fines and Forfeits | 646,418 | -- | -- | -- | 646,418 |
| Interest and Rents | 539,041 | 10,696 | 15,416 | 86,633 | 651,786 |
| Other | 5,630,587 | 71,557 | 463,807 | 855,339 | 7,021,290 |
| Total Revenues | <u>20,143,680</u> | <u>835,117</u> | <u>759,336</u> | <u>3,822,898</u> | <u>25,561,031</u> |
| Expenditures | | | | | |
| Current | | | | | |
| General Government | 2,913,915 | -- | -- | 91,318 | 3,005,233 |
| District Court | 916,263 | -- | -- | -- | 916,263 |
| Public Safety | 9,348,058 | -- | -- | 24,321 | 9,372,379 |
| Public Works | 1,957,204 | 536,390 | 894,859 | 907,977 | 4,296,430 |
| Health and Welfare | 251,325 | -- | -- | -- | 251,325 |
| Community and Economic Development | -- | -- | -- | 156,836 | 156,836 |
| Recreation and Culture | 3,190,980 | -- | -- | 828,705 | 4,019,685 |
| Capital Outlay | 107,798 | 146,731 | 406,391 | 1,042,293 | 1,703,213 |
| Debt Service: | | | | | |
| Principal | -- | -- | -- | 785,000 | 785,000 |
| Interest and Paying Agent Fees | -- | -- | -- | 912,824 | 912,824 |
| Total Expenditures | <u>18,685,543</u> | <u>683,121</u> | <u>1,301,250</u> | <u>4,749,274</u> | <u>25,419,188</u> |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | <u>1,458,137</u> | <u>151,996</u> | <u>(541,914)</u> | <u>(926,376)</u> | <u>141,843</u> |
| Other Financing Sources/(Uses) | | | | | |
| Intergovernmental Expenditures | -- | -- | -- | (63,395) | (63,395) |
| Issuance of Debt | 22,637 | -- | -- | -- | 22,637 |
| Transfers In | 342,490 | -- | 449,433 | 3,203,765 | 3,995,688 |
| Transfers Out | (1,720,473) | (399,433) | -- | (2,115,782) | (4,235,688) |
| Proceeds from Sale of Capital Assets | 2,167 | -- | -- | 2,756 | 4,923 |
| Total Other Financing Sources/(Uses) | <u>(1,353,179)</u> | <u>(399,433)</u> | <u>449,433</u> | <u>1,027,344</u> | <u>(275,835)</u> |
| Net Change in Fund Balance | <u>104,958</u> | <u>(247,437)</u> | <u>(92,481)</u> | <u>100,968</u> | <u>(133,992)</u> |
| Fund Balance at Beginning of Year | <u>2,188,396</u> | <u>341,927</u> | <u>530,135</u> | <u>1,525,003</u> | <u>4,585,461</u> |
| Fund Balance at End of Year | <u>\$ 2,293,354</u> | <u>\$ 94,490</u> | <u>\$ 437,654</u> | <u>\$ 1,625,971</u> | <u>\$ 4,451,469</u> |

The accompanying notes are an integral part of this statement.

CITY OF WAYNE, MICHIGAN
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

| | |
|--|---------------------|
| Net Changes in Fund Balances - Total Governmental Funds | \$ (133,992) |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. | 150,332 |
| Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposals. | (3,851) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | 131,526 |
| Discounts on Bond Proceeds from debt issued are an other financing source/use of funds, but are deferred charges to be amortized over the life of the bond issue in the statement of net assets. | (6,410) |
| The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. | 888,554 |
| Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds. | (93,726) |
| Internal service funds are used by management to charge the costs of certain activities, such as insurance and equipment use, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. | 406,577 |
| Change in Net Assets of Governmental Activities | <u>\$ 1,339,010</u> |

The accompanying notes are an integral part of this statement.

CITY OF WAYNE, MICHIGAN
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2008

| | Business-Type Activities Water and Sewer Fund | Governmental Activities Internal Service Funds |
|--|--|---|
| <u>ASSETS</u> | | |
| Current Assets: | | |
| Cash and Cash Equivalents | \$ 6,063,012 | \$ 6,263,343 |
| Investments | 319,201 | -- |
| Restricted Assets: | | |
| Cash and Cash Equivalents | 282,264 | -- |
| Accounts Receivable | 1,002,398 | 164,436 |
| Due from Employees | -- | 1,364 |
| Due from Other Funds | -- | 63,673 |
| Inventory | -- | 241,120 |
| Prepaid Items | 150 | 227,466 |
| Total Current Assets | <u>7,667,025</u> | <u>6,961,402</u> |
| Noncurrent Assets | | |
| Restricted Cash and Cash Equivalents | <u>18,997</u> | <u>--</u> |
| Capital Assets: | | |
| Construction in Progress | 877,614 | -- |
| Property, Plant and Equipment | 37,538,411 | 7,113,089 |
| Less: Accumulated Depreciation | <u>(10,251,097)</u> | <u>(5,462,250)</u> |
| Total Capital Assets (Net of Accumulated Depreciation) | <u>28,164,928</u> | <u>1,650,839</u> |
| Total Noncurrent Assets | <u>28,183,925</u> | <u>1,650,839</u> |
| Total Assets | <u>35,850,950</u> | <u>8,612,241</u> |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| Current Liabilities: | | |
| Accounts Payable | 1,199,105 | 168,335 |
| Retainage Payable | 83,910 | -- |
| Due to Other Funds | 32,134 | 5,207 |
| Accrued Salaries and Wages | 1,231 | 47,995 |
| Accrued Compensated Absences | 8,366 | -- |
| Current Portion of Long-Term Debt | -- | 51,283 |
| Payable from Restricted Assets: | | |
| Accrued Interest Payable | 54,680 | -- |
| Current Portion of Long-Term Debt | 475,000 | -- |
| Unsettled Claims - Property Casualty Losses | -- | 77,407 |
| Unsettled Claims - Worker's Compensation | -- | 200,409 |
| Total Current Liabilities (Payable from Current Assets) | <u>1,854,426</u> | <u>550,636</u> |
| Noncurrent Liabilities: | | |
| Bonds and Contracts Payable (Net of Deferred Amount on Refunding) | <u>16,827,909</u> | <u>--</u> |
| Total Liabilities | <u>18,682,335</u> | <u>550,636</u> |
| Net Assets: | | |
| Invested in Capital Assets, Net of Related Debt | 10,862,019 | 1,599,556 |
| Restricted for Debt Service | 702,585 | -- |
| Restricted for Construction | 18,997 | -- |
| Unrestricted | 5,585,014 | 6,462,049 |
| Total Net Assets | <u>17,168,615</u> | <u>\$ 8,061,605</u> |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. | <u>(155,464)</u> | |
| Net assets of business-type activities | <u>\$ 17,013,151</u> | |

The accompanying notes are an integral part of this statement.

CITY OF WAYNE, MICHIGAN
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

| | Business-Type Activities Water and Sewer Fund | Governmental Activities Internal Service Funds |
|---|--|---|
| Operating Revenues: | | |
| Water Sales | \$ 3,353,752 | \$ -- |
| Sewage Disposal | 3,695,640 | -- |
| Charges for Services | -- | 8,985,515 |
| Penalties | 112,244 | -- |
| Other | 460,667 | 19,126 |
| Total Operating Revenues | <u>7,622,303</u> | <u>9,004,641</u> |
| Operating Expenses | | |
| Water Purchased | 1,507,159 | -- |
| Sewage Disposal | 1,999,027 | -- |
| Administration and Meter Shop | 466,340 | -- |
| Salaries and Benefits | -- | 3,399,077 |
| Materials and Supplies | -- | 528,394 |
| Professional Services | -- | 221,110 |
| Transportation | -- | 32,114 |
| Payment and Claims | -- | 1,688,619 |
| Service and Maintenance | 2,264,505 | 182,659 |
| Insurance and Bonds | -- | 2,103,893 |
| Depreciation | 710,445 | 367,854 |
| Other | -- | 309,331 |
| Total Operating Expenses | <u>6,947,476</u> | <u>8,833,051</u> |
| Operating Income | <u>674,827</u> | <u>171,590</u> |
| Non-Operating Revenues/(Expenses): | | |
| Interest Income | 341,395 | 51,436 |
| Interest and Paying Agent Fees Expense | (757,665) | (5,669) |
| Loss on Sale of Capital Assets | -- | (14,592) |
| Total Non-Operating Revenues/(Expenses) | <u>(416,270)</u> | <u>31,175</u> |
| Income Before Transfers | 258,557 | 202,765 |
| Transfers In | -- | 406,514 |
| Transfers Out | -- | (166,514) |
| Change in Net Assets | <u>258,557</u> | <u>442,765</u> |
| Total Net Assets, Beginning of Year | <u>16,910,058</u> | <u>7,618,840</u> |
| Total Net Assets, End of Year | <u>\$ 17,168,615</u> | <u>\$ 8,061,605</u> |
| Change in Net Assets | \$ 258,557 | |
| Some amounts reported for business-type activities are different because the net (expenses) of certain internal service funds are reported with business-type activities. | 36,188 | |
| Change in Net Assets - Business-Type activities | <u>\$ 294,745</u> | |

The accompanying notes are an integral part of this statement.

CITY OF WAYNE, MICHIGAN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

| | Business-Type Activities Water and Sewer Fund | Governmental Activities Internal Service Funds |
|---|--|---|
| Cash Flows from Operating Activities: | | |
| Cash Received from Customers | \$ 6,998,055 | \$ -- |
| Cash Received from Interfund Services | -- | 8,919,998 |
| Cash Payments to Suppliers for Goods and Services | (4,962,028) | (5,346,550) |
| Cash Payments to Employees for Services | (1,458,286) | (3,388,019) |
| Other Operating Receipts | 572,911 | -- |
| Net Cash Provided by Operating Activities | <u>1,150,652</u> | <u>185,429</u> |
| Cash Flows for Non-Capital Financing Activities: | | |
| Contribution to Other Funds | -- | 73,486 |
| Cash Flows from Capital and Related Financing Activities: | | |
| Contribution from Other Funds | -- | 166,514 |
| Acquisition and Construction of Capital Assets | (3,160,817) | (272,675) |
| Principal Paid on Revenue Bonds and Contracts | (519,373) | (59,045) |
| Interest Paid on Revenue Bonds and Contracts | (760,105) | (214) |
| Proceeds from Sale of Capital Assets | -- | (2,632) |
| Net Cash Used for Capital and Related Financing Activities | <u>(4,440,295)</u> | <u>(168,052)</u> |
| Cash Flows from Investing Activities: | | |
| Proceeds from Investment Securities | 1,451,819 | -- |
| Interest on Investments | 341,395 | 51,437 |
| Net Cash Provided by Investing Activities | <u>1,793,214</u> | <u>51,437</u> |
| Net Increase/(Decrease) in Cash and Cash Equivalents | (1,496,429) | 142,300 |
| Cash and Cash Equivalents at Beginning of Year (Including \$292,381 in restricted accounts) | <u>7,860,702</u> | <u>6,121,043</u> |
| Cash and Cash Equivalents at End of Year (Including \$301,261 in restricted accounts) | <u>\$ 6,364,273</u> | <u>\$ 6,263,343</u> |

Reconciliation of Operating Income to Net Cash Provided by Operating Activities

| | | |
|--|---------------------|-------------------|
| Operating income | \$ 674,827 | \$ 171,590 |
| Adjustments to Reconcile Operating Income to Net Cash Provided/(Used) by Operating Activities: | | |
| Depreciation | 710,445 | 367,854 |
| Change in Assets and Liabilities: | | |
| (Increase) in Accounts Receivable | (51,337) | (67,132) |
| (Increase) in Inventory | -- | (15,735) |
| Decrease in Due from Employees | -- | 367 |
| (Increase) in Due from Other Funds | -- | (17,878) |
| (Increase) in Prepaid Items | (150) | (214,532) |
| Increase/(Decrease) in Accounts Payable | (77,561) | 85,363 |
| Increase in Due to Other Governmental Units | -- | 4,947 |
| (Decrease) in Retainage Payable | (117,243) | -- |
| Increase/(Decrease) in Due to Other Funds | 12,139 | (125,614) |
| Increase in Accrued Salaries and Wages | 282 | 11,058 |
| (Decrease) in Accrued Compensated Absences | (750) | -- |
| Increase in Unsettled Claims - Property Casualty Losses | -- | 47,382 |
| (Decrease) in Unsettled Claims - Workers Compensation | -- | (62,241) |
| Total Adjustments | <u>475,825</u> | <u>13,839</u> |
| Net Cash Provided by Operating Activities | <u>\$ 1,150,652</u> | <u>\$ 185,429</u> |

Noncash Investing, Capital, and Financing Activities - During the year ended June 30, 2008, there were no noncash activities

The accompanying notes are an integral part of this statement.

CITY OF WAYNE, MICHIGAN
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2008

| | Pension and Other Employee Benefits <u>Trust Fund</u> | Agency Funds |
|---|--|-----------------|
| <u>ASSETS</u> | | |
| Cash and Cash Equivalents | \$ 1,483,772 | \$ 279,765 |
| Investments, at fair value | | |
| Mutual Funds | 20,944,684 | -- |
| United States Government Obligations | 441,440 | -- |
| Common Stock | 30,922,056 | -- |
| Total Investments | 52,308,180 | -- |
| Interest/Dividend Receivable | 44,071 | -- |
| Taxes Receivable - Delinquent | -- | 1,235,510 |
| Prepaid Items | -- | 10 |
| Total Assets | 53,836,023 | 1,515,285 |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| Liabilities: | | |
| Accounts Payable | 99,725 | 247,817 |
| Due to Other Governments | -- | 1,243,072 |
| Refunds Due to Taxpayers | -- | 24,396 |
| Total Liabilities | 99,725 | 1,515,285 |
| Net Assets: | | |
| Restricted for: | | |
| General Employee Contributions | 470,537 | -- |
| Police and Fire Employees Contributions | 3,283,206 | -- |
| Employer Contributions - General Employees | 13,675,648 | -- |
| Employer Contributions - Police and Fire Employees | 27,826,648 | -- |
| Member Annuity | 122,764 | -- |
| Retirement Benefit Payments | 6,757,740 | -- |
| Health Care Payments | 1,599,755 | -- |
| Net Assets held in trust for Pension and Other Employee Benefits | \$ 53,736,298 | \$ -- |

The accompanying notes are an integral part of this statement.

CITY OF WAYNE, MICHIGAN
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

| | Pension and Other Employee Benefits <u>Trust Fund</u> |
|--|--|
| Additions: | |
| Contributions: | |
| Employer | \$ 1,768,110 |
| Employee | 502,034 |
| Investment Income: | |
| Net Appreciation (Depreciation) in Fair Value of Investments | (3,815,024) |
| Interest and Dividends | 752,013 |
| Investment Administration Fees | (623,341) |
| Total Additions | <u>(1,416,208)</u> |
| Deductions: | |
| Benefits | (4,161,420) |
| Refunds | (39,687) |
| Contributions to Public Plan | (17,351,855) |
| Total Deductions | <u>(21,552,962)</u> |
| Change in Net Assets | <u>(22,969,170)</u> |
| Net Assets at Beginning of Year | <u>76,705,468</u> |
| Net Assets at End of Year | <u>\$ 53,736,298</u> |

The accompanying notes are an integral part of this statement.

CITY OF WAYNE, MICHIGAN
STATEMENT OF NET ASSETS
COMPONENT UNITS
JUNE 30, 2008

| | Downtown Development Authority | Nonmajor Component Units | Total |
|---|--------------------------------------|--------------------------------|---------------------|
| <u>ASSETS</u> | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | \$ 1,902,958 | \$ 290,339 | \$ 2,193,297 |
| Receivables (Net) | 14,765 | 158 | 14,923 |
| Inventories | -- | 21,469 | 21,469 |
| Prepaid Expenses | 7,215 | -- | 7,215 |
| Total Current Assets | <u>1,924,938</u> | <u>311,966</u> | <u>2,236,904</u> |
| Noncurrent Assets: | | | |
| Land Contract Receivable | <u>169,844</u> | <u>--</u> | <u>169,844</u> |
| Capital Assets (Note 3C): | | | |
| Land, Improvements, and | | | |
| Construction in Progress | 1,520,119 | 58,641 | 1,578,760 |
| Other Capital Assets, Net of Depreciation | <u>6,796,991</u> | <u>707,825</u> | <u>7,504,816</u> |
| Total Capital Assets | <u>8,317,110</u> | <u>766,466</u> | <u>9,083,576</u> |
| Total Noncurrent Assets | <u>8,486,954</u> | <u>766,466</u> | <u>9,253,420</u> |
| Total Assets | <u>10,411,892</u> | <u>1,078,432</u> | <u>11,490,324</u> |
| <u>LIABILITIES</u> | | | |
| Current Liabilities: | | | |
| Accounts Payable and Accrued Expenses | 1,351,875 | 51,741 | 1,403,616 |
| Unearned Revenue | <u>169,844</u> | <u>1,057</u> | <u>170,901</u> |
| Total Current Liabilities | <u>1,521,719</u> | <u>52,798</u> | <u>1,574,517</u> |
| Long-Term Liabilities (Note 3E): | | | |
| Due Within One Year | 78,471 | -- | 78,471 |
| Due in More than One Year | <u>85,683</u> | <u>--</u> | <u>85,683</u> |
| Total Long-Term Liabilities | <u>164,154</u> | <u>--</u> | <u>164,154</u> |
| Total Liabilities | <u>1,685,873</u> | <u>52,798</u> | <u>1,738,671</u> |
| <u>NET ASSETS</u> | | | |
| Invested in Capital Assets, Net of Related Debt | 8,152,956 | 766,466 | 8,919,422 |
| Unrestricted | <u>573,063</u> | <u>259,168</u> | <u>832,231</u> |
| Total Net Assets | <u>\$ 8,726,019</u> | <u>\$ 1,025,634</u> | <u>\$ 9,751,653</u> |

The accompanying notes are an integral part of this statement.

CITY OF WAYNE, MICHIGAN
STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2008

| <u>FUNCTIONS/PROGRAMS</u> | <u>PROGRAM REVENUES</u> | | | |
|---------------------------------|-------------------------|-----------------------------|---|---|
| | <u>EXPENSES</u> | <u>CHARGES FOR SERVICES</u> | <u>OPERATING GRANTS AND CONTRIBUTIONS</u> | <u>CAPITAL GRANTS AND CONTRIBUTIONS</u> |
| Downtown Development Authority | \$ 6,122,299 | \$ 407,399 | \$ -- | \$ -- |
| Parks and Recreation Foundation | 106 | -- | — | -- |
| Wayne Housing Commission | 403,768 | 166,856 | 328,810 | 63,284 |
| Total Component Units | <u>\$ 6,526,173</u> | <u>\$ 574,255</u> | <u>\$ 328,810</u> | <u>\$ 63,284</u> |

General Revenues:

Taxes:

Property taxes, levied for general purposes

Investment Earnings

Total General Revenues

Change in net assets

Net Assets, Beginning

Net Assets, Ending

The accompanying notes are an integral part of this statement.

NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS

| <u>DOWNTOWN DEVELOPMENT AUTHORITY</u> | <u>NONMAJOR COMPONENT UNITS</u> | <u>TOTAL</u> |
|---|---|---------------------|
| (5,714,900) | -- | (5,714,900) |
| -- | (106) | (106) |
| -- | 155,182 | 155,182 |
| <u>(5,714,900)</u> | <u>155,076</u> | <u>(5,559,824)</u> |
| 6,047,646 | -- | 6,047,646 |
| 90,889 | 2,964 | 93,853 |
| <u>6,138,535</u> | <u>2,964</u> | <u>6,141,499</u> |
| 423,635 | 158,040 | 581,675 |
| 8,302,384 | 867,594 | 9,169,978 |
| <u>\$ 8,726,019</u> | <u>\$ 1,025,634</u> | <u>\$ 9,751,653</u> |

CITY OF WAYNE, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS

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Note 1 Summary of Significant Accounting Policies

The City of Wayne was incorporated as a village on April 12, 1869. It was incorporated as a City on August 5, 1958, under the provisions of Act 279, P.A. 1909, as amended (Home Rule City Act). The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police, fire and district court), highways and streets, culture-recreation, community development, water and sewage system and general and administrative services.

The financial statements of the City of Wayne (government) have been prepared with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's reporting entity applies all relevant GASB pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. For enterprise funds, GASB Statement Nos. 20 and 34 provide the City the option of electing to apply FASB pronouncements issued after November 30, 1989. The City has elected not to apply those pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

1.A. Financial Reporting Entity

As required by generally accepted accounting principles, these financial statements present the City of Wayne, Michigan and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the City. The discretely presented component units, on the other hand, are reported in a separate column in the government wide financial statements to emphasize that they are legally separate from the City.

Blended Component Units:

City of Wayne Building Authority - The City of Wayne Building Authority's (the Authority) Governing Board is appointed by the City Council which has the ability to significantly influence operations. The City approves the Authority budget, has responsibility to fund deficits, and surplus funds existing at the termination of the Authority vest to the City. The City has significant fiscal management responsibility and legal liability for the Authority's debt remains with the City. The Authority is presented as a governmental fund type with a fiscal year end of June 30.

Discretely Presented Component Units:

City of Wayne Downtown Development Authority - The City of Wayne Downtown Development Authority's (DDA) Governing Board is appointed by the City Council which has the ability to significantly influence operations. The City approves the DDA budget, has responsibility to fund deficits, and has significant fiscal management responsibility. The DDA is presented as a governmental fund type with a fiscal year end of June 30. The City had significant transactions with the DDA, in that the DDA contributed \$5,454,711 to the City's governmental funds to help cover the DDA district's share of operating expenditures for the fiscal year, of which \$367,528 was for bond payments on the new fire station, a DDA project. Complete financial statements of the DDA can be obtained at the City of Wayne Finance Department at City Hall.

CITY OF WAYNE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
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Note 1 Summary of Significant Accounting Policies - *continued*

1.A. Financial Reporting Entity - *continued*

City of Wayne Parks and Recreation Foundation - The City of Wayne Parks and Recreation Foundation's Governing Board is appointed by the City Council which has the ability to significantly influence operations. The City has responsibility to fund deficits and has significant fiscal management responsibility. The Foundation is presented as a governmental fund type with a fiscal year end date of June 30. Complete financial statements of the Parks and Recreation Foundation can be obtained at the City of Wayne Finance Department at City Hall.

City of Wayne Housing Commission - The City of Wayne Housing Commission operates within the geographic boundaries of the City and for the benefit of the City's residents. The Wayne Housing Commission members are appointed by the City Council which has the ability to significantly influence operations. The Commission is presented as a business-type activity which has a December 31, year end. Complete financial statements of the Wayne Housing Commission can be obtained at the entity's administrative office: Wayne Housing Commission, 4001 S. Wayne Road, Wayne, MI 48184.

The Economic Development Corporation of the City of Wayne - The Economic Development Corporation of the City of Wayne operates within the geographic boundaries of the City for the benefit of the City's residents. The members of the board of directors of the Economic Development Corporation are appointed by the Mayor subject to City Council approval. However, this component unit has been inactive for several years, therefore, no financial information is presented.

1.B. Basis of Presentation

Basic Financial Statements-Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's general government, district court, public safety, public services, community and economic development, and recreation and culture are classified as governmental activities. The City's water and sewer services are classified as business-type activities.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions (General Government, Public Safety, etc.) and business-type activities. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (General Government, Public Safety, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

CITY OF WAYNE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
(PAGE 3 OF 34)

Note 1 Summary of Significant Accounting Policies - *continued*

1.B. Basis of Presentation - *continued*

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, intergovernmental revenues, interest income, etc.).

The City does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds to recover the direct costs of General Fund services provided (finance, personnel, legal, technology management, etc.). This is eliminated like a reimbursement (reducing the revenue and expense in the General Fund).

The government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activities.

Basic Financial Statements - Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements as follows:

(1) Governmental Funds:

The focus of governmental fund measurement is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

- a. **General fund** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Special revenue funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. **Debt service funds** are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.
- d. **Capital project funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds).
- e. **Permanent fund** is used for assets held by the City pursuant to a trust agreement. The principal portion of this fund must remain intact, but the earnings are used to achieve the objective of the fund.

(2) Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the City:

CITY OF WAYNE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
(PAGE 4 OF 34)

Note 1 Summary of Significant Accounting Policies - *continued*

1.B. Basis of Presentation - *continued*

- a. **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues or (b) establishes fees and charges based on a pricing policy designed to recover similar costs. The City reports the Water and Sewer Fund as a major enterprise fund. This fund is used to account for the operation of the City's water supply and sewage disposal system.
- b. **Internal service funds** are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the City on a cost-reimbursement basis. Internal service funds include equipment replacement, employee health insurance, risk management, and DPW services.

(3) **Fiduciary Funds (Not included in government-wide statements):**

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore, are not available to support City programs. The reporting focus is on net assets and changes in net assets which are reported using accounting principles similar to proprietary funds. Fiduciary pension funds include the general employee retirement system, the police and fire employee retirement system, and post employment health care. The fiduciary agency funds include current and delinquent tax collections, imprest payroll, and miscellaneous funds held in an agency capacity.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City reports the General Fund as a major fund. The City also treated the Major and Local Street Funds as major funds, as required by the State of Michigan. The component unit Downtown Development Authority is a major fund and reports the activities of various City improvement projects.

The City's internal service funds are presented in the proprietary funds financial statements. Because the principal users of the internal services are the City's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (general government, public safety, etc.).

The City's fiduciary funds are presented in the fiduciary fund financial statements by type (pension and other employee benefits and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

CITY OF WAYNE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
(PAGE 5 OF 34)

Note 1 Summary of Significant Accounting Policies - *continued*

1.C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

(1) Measurement Focus

On the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item (b) below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- (a) All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues, and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.
- (b) All proprietary funds and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund equity is classified as net assets. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

(2) Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

(a) Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

(b) Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. Exceptions in such method from the modified accrual basis are as follows:

- a. Interest income on special assessments receivable is not accrued until its due date.
- b. Interest on bonded indebtedness and other long-term debt is not recorded as an expenditure until its due date.
- c. Payments for inventorable types of supplies are recorded as expenditures at the time of purchase.

CITY OF WAYNE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
(PAGE 6 OF 34)

Note 1 Summary of Significant Accounting Policies - *continued*

1.D. Assets, Liabilities and Equity

Cash and Investments

For the purpose of the Statement of Net Assets, cash and cash equivalents include amounts on deposit as well as short-term investments with an original maturity of three months or less from the date of acquisition.

For purposes of the Statement of Cash Flows, the proprietary funds consider all highly liquid investments (including restricted assets) with an original maturity of three months or less from the date of acquisition that can be readily converted to cash to be cash equivalents.

Investment income revenues associated with General Debt Service Funds, the Permanent Fund, and the Internal Service Fund - Administrative Service Fund are administratively assigned and transferred to the General Fund.

Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Managed funds related to the retirement system not listed on an established market are reported at estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities. Cash deposits are reported at carrying amount which reasonably estimates fair value. The composition of pension trust investments, additional cash and investment information, and fair values are presented in Note 3.A.

Pooled Investment Fund

The City maintains a pooled investment fund for all funds other than the Pension Trust Fund. As of June 30, 2008, the pooled investment funds totaled \$20,911,549.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances". See Notes 3.F. and 3.G. for details of interfund transactions, including receivables and payables at year end.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include property taxes, state shared revenues, and fire rescue services. Business-type activities report utilities earnings as their major receivables.

CITY OF WAYNE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
(PAGE 7 OF 34)

Note 1 Summary of Significant Accounting Policies - *continued*

1.D. Assets, Liabilities and Equity - *continued*

In the fund financial statements, material receivables in governmental funds include revenue accruals such as grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned if paid within 60 days since they would be considered both measurable and available.

Proprietary fund material receivables consist of all revenues earned at year end and not yet received. Utility accounts receivable compose the majority of proprietary fund receivables. Allowance for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2008, are recorded as prepaid items.

Restricted Assets

Certain resources set aside for the repayment of enterprise fund revenue bonds are classified as restricted assets on the Statement of Net Assets because their use is limited by applicable bond covenants.

Capital Assets

The accounting treatment over capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. Capital assets are defined as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of one year.

Government-Wide Statements

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e. roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities' columns in the government-wide financial statements. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Prior to July 1, 2001, governmental funds' infrastructure assets were not capitalized. These assets (back to July 1, 1980) have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

CITY OF WAYNE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
(PAGE 8 OF 34)

Note 1 Summary of Significant Accounting Policies - *continued*

1.D. Assets, Liabilities and Equity - *continued*

| | |
|-------------------------|-------------|
| Buildings | 40-50 years |
| Improvements | 20-25 years |
| Machinery and Equipment | 10-25 years |
| Utility System | 25-66 years |
| Infrastructure | 25-40 years |

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Long-Term Debt

The accounting treatment of long-term debt, which consists primarily of bonds payable, notes payable, and accrued compensated absences, depends on whether the obligation is incurred in governmental fund operations or proprietary fund operations and whether it is reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities on the Statement of Net Assets in the government-wide financial statements.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as it is in the government-wide financial statements.

Compensated Absences

City employees are granted vacation and sick leave in varying amounts based on length of service. An employee's account is credited for vacation time on January 1 based on time worked in the previous calendar year and must be used prior to the next January 1. Upon termination employees are paid for all unused/accrued vacation leave. Sick leave is accumulated at the rate of one day per month of employment for all employees, except for fire employees who receive 1.4 days per month. Unused sick leave accumulates year to year, but may be limited to a number of days or hours based on collective bargaining agreements. Days or hours in excess of the maximum will be paid on an annual basis at 50 percent of hourly rate. Upon death, retirement or termination, five-eighths of unused accumulated sick leave is paid to full-time employees with 10 or 15 years of service based on individual contracts. For all City employees, except fire and Police Officers Association of Michigan (POAM) employees, the accumulated sick leave payments are calculated based on the rate of pay in effect at the time of termination. Fire employees and POAM accumulated leave is based upon average final pay (POAM minimum of 60 days).

CITY OF WAYNE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
(PAGE 9 OF 34)

Note 1 Summary of Significant Accounting Policies - *continued*

1.D. Assets, Liabilities and Equity - *continued*

The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements. The current portion of this debt is based on projected information. In the fund financial statements, governmental funds, vested vacation leave is reported as a designation of fund balance of the applicable governmental fund. Accrued compensated absences is reported as a liability in governmental funds only if they have matured; i.e., only if the employee has terminated as of June 30, 2008. Vested vacation leave and vested and accumulated sick leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

Equity Classifications

Government-Wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Proprietary fund equity is classified the same as in the government-wide financial statements. See Note 3.H. for additional disclosures.

1.E. Revenues, Expenditures and Expenses

Property Taxes

Property taxes were levied July 1 (100% city taxes, 100% school taxes including WCRESA, and 100% County operating) and December 1 (100% of other taxing authorities) and are payable on or before October 1 and February 14, respectively, without penalty. These taxes become liens against the property on December 31 of the previous year. After February 28, all unpaid taxes are declared delinquent with the City continuing to collect all Act 198 taxes and ad valorem personal property taxes. Ad valorem real property taxes are turned over to the county treasurer who assumes responsibility for their collection and immediately, upon settlement, reimburses the City from the county revolving tax fund. The City collects its own property tax and also taxes for other entities including the county and school districts which are within the City. Collections and remittances of the taxes to those entities are accounted for in the current and delinquent tax collection funds. The City tax levy for the 2007 roll was as follows:

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NOTES TO FINANCIAL STATEMENTS
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(PAGE 10 OF 34)

Note 1 Summary of Significant Accounting Policies - *continued*

1.E. Revenues, Expenditures and Expenses - *continued*

| | |
|---------------------------|----------------------|
| General Obligation | 14.4365 mills |
| Retirement System | 0.9620 mills |
| Recreation | 0.9999 mills |
| Act 298 Refuse Collection | 1.4717 mills |
| Library Fund (Act 164) | 0.9999 mills |
| Roads | 1.0000 mills |
| Police Millage | <u>1.0000 mills</u> |
| Total | <u>20.8700 mills</u> |

Program Revenues

Program revenues reported within the Statement of Activities include license and fees, ordinance fines and costs, bond forfeitures and other court costs, building, electrical and other permits, state shared revenue, state and federal grants, recreation rentals and fees, and 911 service fees.

Operating Revenues and Expenses

Operating revenues and expenses for the proprietary funds are those that result from providing services and producing and delivering goods and/or services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund and of the government's internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

| | |
|--|---|
| Governmental Funds - By Character: | Current (further classified by functions) |
| | Debt Service |
| | Capital Outlay |
| Proprietary Fund - By Operating and Nonoperating | |

In the fund financial statements, governmental funds report expenditures of financial resources and proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

CITY OF WAYNE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
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Note 2 Reconciliation of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

Page 32 includes a reconciliation between fund balance-total governmental funds and net assets-governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds". The details of this difference are as follows:

| | |
|--|----------------------|
| Bonds Payable | \$ 19,085,000 |
| Notes Payable | 169,843 |
| Accrued Interest Payable | 228,852 |
| Capital Leases Payable | 199,134 |
| Compensated Absences | 3,667,209 |
| Deferred Charges - Unamortized Discount on Bonds Proceeds | (124,643) |
| Deferred Revenue - Noncurrent Financial Resources | (297,265) |
| Less Notes Payable and Capital Leases Payable in Internal Service Fund | (51,283) |
| Net Adjustment | <u>\$ 22,876,847</u> |

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

| | |
|----------------|-------------------|
| Capital Outlay | \$ 1,703,213 |
| Depreciation | (1,578,749) |
| Donated Assets | 25,868 |
| Net Adjustment | <u>\$ 150,332</u> |

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets." The details of this \$888,554 difference are as follows:

| | |
|--|-------------------|
| Debt Issued or Incurred: | |
| Capital Lease Financing | \$ (22,637) |
| Principal Repayments: | |
| General Obligation Debt | 785,000 |
| Capital Lease | 118,156 |
| Notes Payable | 67,083 |
| Less Notes Payable and Capital Lease Payments in Internal Service Fund | (59,048) |
| Net Adjustment | <u>\$ 888,554</u> |

CITY OF WAYNE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
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Note 3 Detail Notes on Transaction Classes / Accounts

3.A. Deposits and Investments

For additional descriptive information, see note 1.D.

Deposits

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan.

The City has designated six banks for the deposits of its funds. The investment policy adopted by the Council in accordance with Public Act 196 of 1997 has authorized investment of funds as listed above. The City of Wayne's deposits and investment policies are in accordance with statutory authority.

At year end, the deposits and investments were reported in the basic financial statements in the following categories:

| | Governmental Activities | Fiduciary Funds | Business-type Activities | Total Primary Government | Component Units |
|--|----------------------------|----------------------|-----------------------------|-----------------------------|---------------------|
| Cash and Cash Equivalents | \$ 5,693,014 | \$ 1,763,537 | \$ 12,326,355 | \$ 19,782,906 | \$ 2,193,297 |
| Cash and Cash Equivalents - Restricted | -- | -- | 282,264 | 282,264 | -- |
| Cash with Fiscal Agent | -- | -- | 18,997 | 18,997 | -- |
| Investments | -- | 52,308,180 | 319,201 | 52,627,381 | -- |
| Total | <u>\$ 5,693,014</u> | <u>\$ 54,071,717</u> | <u>\$ 12,946,817</u> | <u>\$ 72,711,548</u> | <u>\$ 2,193,297</u> |

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Neither State law nor the City's investment policy requires consideration of custodial credit risk.

As of June 30, 2008, the bank balance of the City deposits was \$18,034,118 of which \$500,000 was covered by federal depository insurance and the remainder was uninsured and uncollateralized. The City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution with which it deposits City funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

The carrying amount of deposits and the bank balance for the City of Wayne Downtown Development Authority, a discretely presented component unit, was \$1,902,958, of which \$100,000 was covered by federal depository insurance and \$1,802,958 was uninsured and uncollateralized.

The carrying amount of deposits and the bank balance for the City of Wayne Housing Commission, a discretely presented component unit was \$261,385, which was totally covered by federal depository insurance.

The carrying amount of deposits and the bank balance for the City of Wayne Parks and Recreation Foundation, a discretely presented component unit, was \$28,954, which was totally covered by federal depository insurance.

CITY OF WAYNE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
(PAGE 13 OF 34)

Note 3 Detail Notes on Transaction Classes / Accounts - continued

3.A. Deposits and Investments - continued

Investments

Investment pools are under the custody of the City Treasurer. Investing is performed in accordance with investment policies complying with State Statutes, the City Charter, and the City's Investment Policy. The City is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the day of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds and investment pools composed of investment vehicles that are legal for direct investment by local units of government in Michigan, and investment pools of financial institutions.

The City of Wayne, Michigan Employee Retirement System (ERS) contractually delegates investment management to investment managers who must invest in accordance with the asset limitations under Michigan Public Act 314 of 1965, as amended. These asset limitations cover domestic equities, mutual funds, annuity investment contracts and investment accounts of life insurance companies, fixed income obligations, real estate, certain state and local government obligations, and collective investment/pooled funds.

As of June 30, 2008, the City's investments were as follows:

| <u>Investment</u> | <u>Maturities</u> | <u>Fair Value</u> |
|---|---------------------|-------------------|
| Pooled Investment Fund: | | |
| Mutual Funds | Not applicable | \$ 319,201 |
| Non-Pooled Investments: | | |
| Fiduciary Funds - Pension Trust Fund | | |
| Common Stocks | Not applicable | 29,905,957 |
| Mutual Funds | Not applicable | 20,944,684 |
| Total Fiduciary Funds - Pension Trust Fund | | 50,850,641 |
| Fiduciary Funds - Employee Health Care Fund | | |
| U.S. Government Securities | 05/15/09 - 03/01/38 | 441,440 |
| Common Stocks | Not applicable | 1,016,099 |
| Total Fiduciary Funds - Employee Health Care Fund | | 1,457,539 |
| Total Non-Pooled Investments | | 52,308,180 |
| Total Investment | | \$ 52,627,381 |

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investment policy states investments must be diversified by security type and institution. With the exception of the U.S. Treasury securities and authorized investment pools. No more than 50 percent of the total investment portfolio will be invested in a single security type. At June 30, 2008, the City had under 5% of its investments in any single issuer.

CITY OF WAYNE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
(PAGE 14 OF 34)

Note 3 Detail Notes on Transaction Classes / Accounts - continued

3.A. Deposits and Investments - continued

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. In addition to restricting commercial paper to a maturity of 270 days or less, the City may not invest its funds in any security maturing more than five years from the date of purchase. No more than 40 percent of the City's total funds may be placed in securities maturing in more than three years. The fiduciary funds do not follow the City's investment policy.

| <u>Fiduciary Investment Types</u> | <u>Fair Value</u> | <u>Weighted Average Maturity</u> |
|--------------------------------------|-------------------|--------------------------------------|
| United States Government Obligations | \$ 441,440 | 13.80 years |

State law limits the City's investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations at the time of purchase. The City's investment policy limits investments to the safest types of securities. All financial institutions and broker/dealers must be pre-qualified to do business with the City. The City has no rated investment holdings at June 30, 2008.

3.B. Accounts Receivable and Accounts Payable

Accounts Receivable

Accounts receivable of the governmental activities as of year end for the City's individual major funds and non-major funds including the applicable allowance for uncollectible accounts, are as follows:

| | <u>General Fund</u> | <u>Major Street Fund</u> | <u>Local Street Fund</u> | <u>Nonmajor and Other Governmental Funds</u> | <u>Total</u> |
|--|-------------------------|----------------------------------|----------------------------------|--|---------------------|
| Receivables | | | | | |
| Taxes | \$ 346,556 | \$ -- | \$ -- | \$ 43,197 | \$ 389,753 |
| Accounts | 388,581 | 54 | -- | 20,919 | 409,554 |
| Intergovernmental | 376,873 | 120,531 | 45,900 | 465,310 | 1,008,614 |
| Land Contract | -- | -- | -- | 17,939 | 17,939 |
| Gross Receivables | 1,112,010 | 120,585 | 45,900 | 547,365 | 1,825,860 |
| Less: Allowances for Uncollectibles | (507,762) | -- | -- | (31,796) | (539,558) |
| Net Accounts Receivable Governmental Activities | <u>\$ 604,248</u> | <u>\$ 120,585</u> | <u>\$ 45,900</u> | <u>\$ 515,569</u> | <u>\$ 1,286,302</u> |

CITY OF WAYNE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
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Note 3 Detail Notes on Transaction Classes / Accounts - continued

3.B. Accounts Receivable and Accounts Payable - continued

Accounts receivable of the business-type activities consists of:

| | <u>Water and Sewer Fund</u> |
|-------------------|---------------------------------|
| Taxes Receivable | \$ 136,255 |
| Customer Accounts | 866,143 |
| Gross Receivables | <u>\$ 1,002,398</u> |

No allowance for doubtful accounts has been recorded because unpaid balances are applied to the tax roll each year.

Accounts payable of the governmental activities as of year end for the City's individual major funds and non-major funds is as follows:

| | <u>General Fund</u> | <u>Major Street Fund</u> | <u>Local Street Fund</u> | <u>Nonmajor and Other Governmental Funds</u> | <u>Total</u> |
|------------------------------|-------------------------|----------------------------------|----------------------------------|--|---------------------|
| Accounts Payable to Vendors | \$ 1,229,211 | \$ 28,358 | \$ 52,083 | \$ 471,323 | \$ 1,780,975 |
| Accrued Salaries and Wages | 270,214 | -- | -- | 9,741 | 279,955 |
| Accrued Compensated Absences | 1,396 | -- | -- | -- | 1,396 |
| Deposits | 7,543 | -- | -- | 700 | 8,243 |
| | <u>\$ 1,508,364</u> | <u>\$ 28,358</u> | <u>\$ 52,083</u> | <u>\$ 481,764</u> | <u>\$ 2,070,569</u> |

Accounts payable of the business-type activities consists of:

| | <u>Water and Sewer Fund</u> |
|---------------------------------|---------------------------------|
| Accounts Payable to Vendors | \$ 641,643 |
| Due to Other Governmental Units | 557,462 |
| Retainage Payable | 83,910 |
| Accrued Salaries and Wages | 1,231 |
| Accrued Compensated Absences | 8,366 |
| | <u>\$ 1,292,612</u> |

CITY OF WAYNE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
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3.C. Capital Assets

Capital asset activity for the year ended June 30, 2008, was as follows:

Primary Government

| | Balance July 1, 2007 | Additions | Disposals | Balance June 30, 2008 |
|---|-------------------------|-------------|-------------|--------------------------|
| Governmental Activities: | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 4,354,766 | \$ 44,474 | \$ -- | \$ 4,399,240 |
| Construction-In-Progress | -- | -- | -- | -- |
| Total Capital Assets Not Being Depreciated | 4,354,766 | 44,474 | -- | 4,399,240 |
| Capital Assets Being Depreciated: | | | | |
| Buildings | 36,510,165 | 135,299 | -- | 36,645,464 |
| Improvements | 3,333,367 | 420,800 | -- | 3,754,167 |
| Machinery and Equipment | 7,273,649 | 467,558 | (148,444) | 7,592,763 |
| Infrastructure | 20,666,399 | 933,625 | -- | 21,600,024 |
| Total Capital Assets Being Depreciated | 67,783,580 | 1,957,282 | (148,444) | 69,592,418 |
| Less Accumulated Depreciation: | | | | |
| Buildings | (9,709,380) | (819,820) | -- | (10,529,200) |
| Improvements | (1,455,729) | (168,871) | -- | (1,624,600) |
| Machinery and Equipment | (5,173,471) | (453,284) | 129,826 | (5,496,929) |
| Infrastructure | (14,857,342) | (504,628) | -- | (15,361,970) |
| Total Accumulated Depreciation | (31,195,922) | (1,946,603) | 129,826 | (33,012,699) |
| Total Capital Assets Being Depreciated, Net | 36,587,658 | 10,679 | (18,618) | 36,579,719 |
| Total Governmental Activities Capital Assets, Net | \$ 40,942,424 | \$ 55,153 | \$ (18,618) | \$ 40,978,959 |

| | Balance July 1, 2007 | Additions | Disposals | Balance June 30, 2008 |
|---|-------------------------|--------------|----------------|--------------------------|
| Business-type Activities: | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Construction in Progress | \$ 1,132,366 | \$ 877,614 | \$ (1,132,366) | \$ 877,614 |
| Capital Assets Being Depreciated: | | | | |
| Water and Sewer Mains | 32,133,070 | 3,344,977 | -- | 35,478,047 |
| Meters | 902,918 | 22,705 | (3,153) | 922,470 |
| Equipment | 460,644 | -- | -- | 460,644 |
| Motor Vehicles | 629,363 | 47,887 | -- | 677,250 |
| Total Capital Assets Being Depreciated | 34,125,995 | 3,415,569 | (3,153) | 37,538,411 |
| Less Accumulated Depreciation: | | | | |
| Water and Sewer Mains | (8,020,125) | (643,766) | -- | (8,663,891) |
| Meters | (495,613) | (41,329) | 3,153 | (533,789) |
| Equipment | (457,909) | (1,115) | -- | (459,024) |
| Motor Vehicles | (570,158) | (24,235) | -- | (594,393) |
| Total Accumulated Depreciation | (9,543,805) | (710,445) | 3,153 | (10,251,097) |
| Total Capital Assets Being Depreciated, Net | 24,582,190 | 2,705,124 | -- | 27,287,314 |
| Total Business-Type Capital Assets, Net | \$ 25,714,556 | \$ 3,582,738 | \$ (1,132,366) | \$ 28,164,928 |

CITY OF WAYNE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
(PAGE 17 OF 34)

Note 3 Detail Notes on Transaction Classes / Accounts - continued

3.C. Capital Assets - continued

Depreciation expense was charged to functions/programs of the primary government as follows:

| | |
|--|---------------------|
| Governmental Activities: | |
| General Government | \$ 98,740 |
| District Court | 11,747 |
| Public Safety | 403,267 |
| Public Services | 512,896 |
| Recreation and Culture | 552,099 |
| Capital Assets Held by the City's Internal Service Funds are Charged to the Various Functions Based on Their Usage of the Assets | 367,854 |
| Total Depreciation Expense | <u>\$ 1,946,603</u> |
| Business-type Activities: | |
| Water and Sewer | <u>\$ 710,445</u> |

Major Discretely Presented Component Units:

Activity for the Downtown Development Authority for the year ended June 30, 2008, is as follows:

| | Balance July 1, 2007 | Additions | Disposals | Balance June 30, 2008 |
|---|-------------------------|-------------------|--------------|--------------------------|
| Government Activities: | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 1,498,448 | \$ 14,079 | \$ -- | \$ 1,512,527 |
| Construction in Progress | -- | 7,592 | -- | 7,592 |
| Total Capital Assets Not Being Depreciated | <u>1,498,448</u> | <u>21,671</u> | <u>--</u> | <u>1,520,119</u> |
| Capital Assets Being Depreciated: | | | | |
| Buildings | 2,003,235 | -- | -- | 2,003,235 |
| Improvements | 2,966,648 | 143,983 | -- | 3,110,631 |
| Machinery and Equipment | 368,448 | -- | -- | 368,448 |
| Infrastructure | 3,624,471 | 632,002 | -- | 4,256,473 |
| Total Capital Assets Being Depreciated | <u>8,962,802</u> | <u>775,985</u> | <u>--</u> | <u>9,738,787</u> |
| Less Accumulated Depreciation: | | | | |
| Buildings | (827,202) | (66,679) | -- | (893,881) |
| Improvements | (1,105,958) | (108,839) | -- | (1,214,797) |
| Machinery and Equipment | (21,092) | (20,543) | -- | (41,635) |
| Infrastructure | (633,864) | (157,619) | -- | (791,483) |
| Total Accumulated Depreciation | <u>(2,588,116)</u> | <u>(353,680)</u> | <u>--</u> | <u>(2,941,796)</u> |
| Total Capital Assets Being Depreciated, Net | <u>6,374,686</u> | <u>422,305</u> | <u>--</u> | <u>6,796,991</u> |
| Total Governmental Activities Capital Assets, Net | <u>\$ 7,873,134</u> | <u>\$ 443,976</u> | <u>\$ --</u> | <u>\$ 8,317,110</u> |

CITY OF WAYNE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
(PAGE 18 OF 34)

Note 3 Detail Notes on Transaction Classes / Accounts - continued

3.C. Capital Assets - continued

Activity for the Wayne Housing Commission for the year ended December 31, 2007, was as follows:

| | Balance January 1, <u>2007</u> | <u>Additions</u> | <u>Disposals</u> | Balance December 31, <u>2007</u> |
|--|--------------------------------------|--------------------|------------------|--|
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 58,641 | \$ -- | \$ -- | \$ 58,641 |
| Capital Assets Being Depreciated: | | | | |
| Buildings and Improvements | 2,920,772 | 63,284 | -- | 2,984,056 |
| Furniture and Equipment - Dwelling | 46,256 | -- | -- | 46,256 |
| Furniture and Equipment - Admin. | 65,754 | 900 | -- | 66,654 |
| Total Capital Assets Being Depreciated | 3,032,782 | 64,184 | -- | 3,096,966 |
| Less Accumulated Depreciation | (2,285,464) | (103,677) | -- | (2,389,141) |
| Total Capital Assets Being Depreciated, Net | 747,318 | (39,493) | -- | 707,825 |
| Total Wayne Housing Commission Capital Assets, Net | <u>\$ 805,959</u> | <u>\$ (39,493)</u> | <u>\$ --</u> | <u>\$ 766,466</u> |

3.D. Capital Leases

The City has entered into several lease agreements as lessee for financing the acquisition of fitness equipment, police equipment, public safety vehicles, and copying equipment. These lease agreements qualify as capital leases for accounting purposes and therefore, have been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired are as follows:

| | Governmental <u>Activities</u> |
|--------------------------------|-----------------------------------|
| Fitness Equipment | \$ 17,460 |
| Police Equipment | 70,222 |
| Public Safety Vehicles | 171,484 |
| Public Service Equipment | 154,000 |
| Copying Equipment | 28,102 |
| | 441,268 |
| Less: Accumulated Depreciation | (111,100) |
| Net | <u>\$ 330,168</u> |

CITY OF WAYNE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
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Note 3 Detail Notes on Transaction Classes / Accounts - continued

3.D. Capital Leases - continued

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2008, are as follows:

| Fiscal Year Ending <u>June 30,</u> | <u>Total</u> |
|--|-------------------|
| 2009 | \$ 135,183 |
| 2010 | 73,369 |
| 2011 | 6,156 |
| 2012 | 637 |
| 2013 | -- |
| | <u>215,345</u> |
| Less Amount Representing Interest | (16,211) |
| Present Value of Minimum Lease Payments | <u>\$ 199,134</u> |

3.E. Long-Term Debt

General Obligation Bonds - The government issued general obligation bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 25-year serial bonds. General obligation bonds currently outstanding are as follows:

| <u>Purpose</u> | <u>Interest Rate</u> | <u>Amount</u> |
|--------------------------------------|----------------------|----------------------|
| Governmental Activities: | | |
| General Government | 3.00% - 5.25% | \$ 19,085,000 |
| Business-Type Activities: | | |
| Proprietary - Water and Sewer System | 2.25% - 6.00% | 17,630,000 |
| | | <u>\$ 36,715,000</u> |

Included in long-term debt is accrued compensated absences. The Risk Management Fund - Internal Service Fund is typically used to fund payouts of accumulated compensated absences. The funds for payment of the benefits are generated mostly through charges to the General Fund.

CITY OF WAYNE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
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Note 3 Detail Notes on Transaction Classes / Accounts - continued

3.E. Long-Term Debt - continued

Annual debt service requirements to maturity for general obligation bonds, including interest of \$18,173,304 are as follows:

| Fiscal Year Ending June 30, | Governmental Activities | Business-type Activities | Total |
|-----------------------------------|----------------------------|-----------------------------|----------------------|
| 2009 | \$ 1,681,626 | \$ 1,192,274 | \$ 2,873,900 |
| 2010 | 1,782,475 | 1,200,800 | 2,983,275 |
| 2011 | 1,758,554 | 1,237,326 | 2,995,880 |
| 2012 | 1,586,723 | 1,232,235 | 2,818,958 |
| 2013 | 1,540,866 | 1,353,372 | 2,894,238 |
| 2014 - 2018 | 8,091,081 | 6,297,034 | 14,388,115 |
| 2019 - 2023 | 6,387,063 | 5,477,300 | 11,864,363 |
| 2024 - 2028 | 4,869,462 | 5,753,438 | 10,622,900 |
| 2029 - 2033 | -- | 3,446,675 | 3,446,675 |
| Total | <u>\$ 27,697,850</u> | <u>\$ 27,190,454</u> | <u>\$ 54,888,304</u> |

The City's general obligation bonds are segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities as follows:

Governmental Activities:

As of June 30, 2008, the governmental long-term debt of the financial reporting entity consisted of the following:

| | Current Portion | Long-Term Debt |
|--|--------------------|----------------------|
| \$1,475,000 bond issue dated March 1, 1996 for the Aquatic Center and Senior Center. Interest rate from 5.25% to 5.35% with final maturity on October 1, 2010. | \$ 150,000 | \$ 400,000 |
| \$4,465,000 Refunding Bonds issue dated October 30, 1997. Interest rate from 4.65% to 5.25% with final maturity on October 1, 2019. | 235,000 | 3,550,000 |
| \$1,800,000 bond issue dated December 1, 1998 for the Community Center renovation. Interest rate from 4.5% to 4.9% with final maturity on October 1, 2018. | 75,000 | 1,200,000 |
| \$1,500,000 bond issue dated April 1, 2001 for the interim fire/DPW building. Interest rate from 4.30% to 5.25% with final maturity on October 1, 2020. | 50,000 | 1,250,000 |
| \$5,935,000 bond issue dated April 1, 2002 for the interim fire/DPW building (\$735,000) and for the new fire station (\$5,200,000). Interest rate from 4.5% to 7.5% with final maturity on October 1, 2026. | 150,000 | 5,125,000 |
| \$7,500,000 bond issue dated April 1, 2003 for the new police facility. Interest rate from 3.0% to 4.5% with a final maturity on October 1, 2027. | 150,000 | 6,750,000 |
| Total Governmental Activities General Obligation Bonds Payable | <u>\$ 810,000</u> | <u>\$ 18,275,000</u> |

CITY OF WAYNE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
(PAGE 21 OF 34)

Note 3 Detail Notes on Transaction Classes / Accounts - continued

3.E. Long-Term Debt - continued

Business-type Activities:

At June 30, 2008, the long-term debt payable from the proprietary fund resources consisted of the following:

General Obligation Bonds:

| | | |
|--|-------------------|----------------------|
| \$225,796 bond issue dated September 28, 1995. Interest rate of 2.25% with final maturity on October 1, 2016. | \$ 15,000 | \$ 120,000 |
| \$604,829 bond issue dated June 26, 1997. Interest rate of 2.25% with final maturity on October 1, 2016. | 30,000 | 260,000 |
| \$2,720,000 bond issue dated November 13, 2003. Interest rate from 2.50% to 4.125% with final maturity on October 1, 2016. | 190,000 | 1,860,000 |
| \$7,750,000 bond issue dated July 1, 2004. Interest rate from 3.00% to 4.40% with final maturity on October 1, 2021. | 125,000 | 3,275,000 |
| \$7,500,000 bond issue dated August 7, 2006. Interest rate from 4.00% to 6.00% with final maturity on October 1, 2031. | 100,000 | 7,300,000 |
| \$4,430,000 bond issued dated January 31, 2007. Interest rate from 3.50% to 4.125% with final maturity on October 1, 2029. | 15,000 | 4,340,000 |
| Total Business-type Activities | <u>\$ 475,000</u> | <u>\$ 17,155,000</u> |

Other Note Payable - Governmental Activities -

At June 30, 2008, the governmental long-term debt included a significant transaction between the primary government, City of Wayne, and its major discretely presented component unit, the Downtown Development Authority, for a public housing replacement project. This transaction resulted in a note payable to the Downtown Development Authority to be repaid from the Capital Project Fund as follows:

| | <u>Current Portion</u> | <u>Long-Term Portion</u> |
|--|----------------------------|------------------------------|
| \$283,073 note payable dated June 30, 2006 for a public housing replacement project at a interest rate of 2.5% | <u>\$ 56,615</u> | <u>\$ 113,228</u> |

CITY OF WAYNE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
(PAGE 22 OF 34)

Note 3 Detail Notes on Transaction Classes / Accounts - continued

3.E. Long-Term Debt - continued

Annual debt service requirement to maturity on the notes payable, including interest of \$8,492, is as follows:

| Fiscal Year Ending <u>June 30,</u> | <u>Total</u> |
|--|-------------------|
| 2009 | \$ 60,861 |
| 2010 | 59,445 |
| 2011 | 58,029 |
| | <u>\$ 178,335</u> |

Internal service funds predominantly serve the governmental funds. Accordingly, long term liabilities for them are included as part of the above totals for governmental activities. At year end \$2,460,686 of internal services funds compensated absences are included in the above amounts. The remaining portion of compensated absences reported in governmental activities have been historically liquidated by the governmental fund to which the employee is associated, primarily General Fund.

Land Contract Payable - Major Component Unit

At June 30, 2008, the long-term debt payable from the major component unit consisted of the following:
Land Contracts Payable:

| | <u>Current Portion</u> | <u>Long-Term Portion</u> |
|---|----------------------------|------------------------------|
| \$300,000 land contract payable dated December 17, 2004 for commercial property at an interest rate of 7.5%, maturing January 1, 2010 | \$ 66,332 | \$ 41,047 |
| \$85,721 land contract payable dated November 7, 2005 for 33542 Morris Street at an interest rate of 4.5% maturing November 7, 2012 | <u>12,139</u> | <u>44,636</u> |
| Total Land Contracts Payable | <u>\$ 78,471</u> | <u>\$ 85,683</u> |

Annual debt service requirements to maturity on the land contracts payable, including interest of \$26,080, are as follows:

| Fiscal Year Ending <u>June 30,</u> | <u>Total</u> |
|--|-------------------|
| 2009 | \$ 86,581 |
| 2010 | 56,526 |
| 2011 | 14,445 |
| 2012 | 14,445 |
| 2013-2018 | 4,815 |
| Total | <u>\$ 176,812</u> |

CITY OF WAYNE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
(PAGE 23 OF 34)

Note 3 Detail Notes on Transaction Classes / Accounts - continued

3.E. Long-Term Debt - continued

The following is a summary of changes in long-term debt for the year ended June 30, 2008:

| | Balance July 1, 2007 | Additions | Deductions | Balance June 30, 2008 | Amount Due Within One Year |
|--|-------------------------|---------------------|-----------------------|--------------------------|-------------------------------|
| Governmental Activities: | | | | | |
| General Obligation Bonds | \$ 19,870,000 | \$ -- | \$ (785,000) | \$ 19,085,000 | \$ 810,000 |
| Capital Leases | 294,653 | 22,637 | (118,156) | 199,134 | 123,782 |
| Notes Payable | 236,926 | -- | (67,083) | 169,843 | 56,615 |
| Total Bonds and Notes Payable | 20,401,579 | 22,637 | (970,239) | 19,453,977 | 990,397 |
| Other Liabilities | | | | | |
| Accrued Compensated Absences | 3,502,421 | 1,281,935 | (1,117,147) | 3,667,209 | 238,251 |
| Total Governmental Activities Long Term Liabilities | <u>\$ 23,904,000</u> | <u>\$ 1,304,572</u> | <u>\$ (2,087,386)</u> | <u>\$ 23,121,186</u> | <u>\$ 1,228,648</u> |
| Business-type Activities: | | | | | |
| General Obligation Bonds | \$ 18,175,000 | \$ -- | \$ (545,000) | \$ 17,630,000 | \$ 475,000 |
| Less: Amortization of Bond Discounts | (352,718) | -- | 25,627 | (327,091) | -- |
| | <u>\$ 17,822,282</u> | <u>\$ --</u> | <u>\$ (519,373)</u> | <u>\$ 17,302,909</u> | <u>\$ 475,000</u> |

Annual debt service requirements to maturity, including principal and interest for long-term debt as of June 30, 2008, are as follows:

| Year Ended | Governmental Activities | | | | Business-type Activities | |
|---------------|-----------------------------|---------------------|----------------------------|-----------------|-----------------------------|---------------------|
| | General Obligation Bonds | | Equipment Notes Payable | | General Obligation Bonds | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2009 | \$ 810,000 | \$ 871,626 | \$ 56,615 | \$ 4,246 | \$ 475,000 | \$ 717,274 |
| 2010 | 955,000 | 827,475 | 56,614 | 2,831 | 500,000 | 700,800 |
| 2011 | 980,000 | 778,554 | 56,614 | 1,415 | 555,000 | 682,326 |
| 2012 | 855,000 | 731,723 | -- | -- | 570,000 | 662,235 |
| 2013 | 850,000 | 690,866 | -- | -- | 715,000 | 638,372 |
| 2014-2018 | 5,310,000 | 2,781,081 | -- | -- | 3,570,000 | 2,727,034 |
| 2019-2023 | 4,925,000 | 1,462,063 | -- | -- | 3,455,000 | 2,022,300 |
| 2024-2028 | 4,400,000 | 469,462 | -- | -- | 4,570,000 | 1,183,438 |
| 2029-2033 | -- | -- | -- | -- | 3,220,000 | 226,675 |
| | <u>\$ 19,085,000</u> | <u>\$ 8,612,850</u> | <u>\$ 169,843</u> | <u>\$ 8,492</u> | <u>\$ 17,630,000</u> | <u>\$ 9,560,454</u> |

CITY OF WAYNE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
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Note 3 Detail Notes on Transaction Classes / Accounts - continued

3.F. Interfund Transactions and Balances

Transfers

| | Transfers In | Transfers Out |
|-----------------------------------|---------------------|---------------------|
| General Fund | | |
| Local Street Fund | \$ -- | \$ 50,000 |
| Nonmajor Governmental | 342,490 | 1,670,473 |
| Total General Fund | <u>342,490</u> | <u>1,720,473</u> |
| Major Street Fund | | |
| Local Street Fund | -- | 399,433 |
| Local Street Fund | | |
| General Fund | 50,000 | -- |
| Major Street Fund | 399,433 | -- |
| Total Local Street Fund | <u>449,433</u> | <u>--</u> |
| Nonmajor Governmental Funds | | |
| General Fund | 1,670,473 | 342,490 |
| Nonmajor Governmental | 1,773,292 | 1,773,292 |
| Total Nonmajor Governmental Funds | <u>3,443,765</u> | <u>2,115,782</u> |
| Internal Service Funds | | |
| Internal Service Funds | 166,514 | 166,514 |
| Total | <u>\$ 4,402,202</u> | <u>\$ 4,402,202</u> |

An explanation of the significant interfund transactions follows:

The General Fund transferred \$1,330,295 to the Building Authority Fund to cover principal and interest payments on Building Authority bonds. The Building Authority in turn transferred the funds to the General Debt Service Funds to make the payments.

There were several transfers to the General Fund from Nonmajor Governmental Funds totaling \$323,391. The transfers were from the 911 Service Fund (\$124,000) which collects 911 fees from the State and remits same to the General Fund to cover police department costs for the service; from the Federal Grant Fund (\$293,351) to reimburse the General Fund for expenditures on Federal Grant Projects; and from the Community Development Block Grant Fund (\$42,700) to reimburse the General Fund for expenditures on Community Development Block Grant projects.

The Major Street Fund transferred \$399,433 to the Local Street Fund as an allowed reallocation of State revenue dedicated to highways and streets.

CITY OF WAYNE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
(PAGE 25 OF 34)

Note 3 Detail Notes on Transaction Classes / Accounts - continued

3.G. Interfund Assets/Liabilities

The composition of interfund balances in the fund financial statements as of June 30, 2008, is as follows:

Due To/From Other Funds:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|--------------------------------|---|-------------------|
| Governmental Activities | | |
| Major Funds | | |
| General Fund | Non Major Governmental | \$ 146,103 |
| Local Street Fund | Major Street Fund | 58,139 |
| Non Major Governmental | Non Major Governmental | 75,000 |
| Total Governmental Activities | | <u>279,242</u> |
| Business Type Activities | | |
| Internal Service Fund - | | |
| DPW Services Fund | General Fund | 7,459 |
| DPW Services Fund | Major Street Fund | 2,961 |
| DPW Services Fund | Local Street Fund | 12,964 |
| DPW Services Fund | Nonmajor Governmental Fund - (Refuse Fund) | 2,948 |
| DPW Services Fund | Water and Sewer Fund | 32,134 |
| DPW Services Fund | DPW Equipment Rental Fund | 5,207 |
| Total Business Type Activities | | <u>63,673</u> |
| | | <u>\$ 342,915</u> |

Interfund Receivable/Payables:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|-------------------------|-----------------------|---------------|
| Governmental Activities | | |
| Major Funds | | |
| General Fund | Nonmajor Governmental | \$ 84,790 |

Due to/from other funds are related to payments in transit for goods or service provided through other funds. All interfund payables/receivables are generated from the pooled investment fund as short-term loans when there is a temporary lag in a particular funds cash.

CITY OF WAYNE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
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Note 3 Detail Notes on Transaction Classes / Accounts - continued

3.H. Restricted Net Assets/Reserved Fund Balance

Restricted Net Assets - Other Purposes

In the government-wide financial statements, the restricted net assets - other purposes on the Statement of Net Assets is as follows:

| | |
|---------------------------|-------------------|
| Governmental Activities: | |
| Police Training Funds | \$ 47,422 |
| COPS Grant Funds | 83,547 |
| | <u>\$ 130,969</u> |
| Business-type Activities: | |
| Construction | <u>\$ 18,312</u> |

Reserved fund balances in the fund financial statements - governmental funds are reserved for the following uses:

| | |
|----------------------------|-------------------|
| Reserve for: Prepaid Items | \$ 24,474 |
| Police | 130,969 |
| Debt Service | 35,254 |
| Capital Projects | 169,094 |
| Cemetery Perpetual Care | 326,975 |
| | <u>\$ 686,766</u> |

Reserved Fund Balance - Police

Michigan Law allows law enforcement agencies to retain proceeds from the seizure of contraband. The law further provides that these funds shall be used solely to enhance law enforcement efforts in this area.

When restricted resources are available for incurred expenditures, the City uses the restricted resources first. Only after restricted assets have been depleted, will the City utilize unrestricted assets

Note 4 Other Notes

4.A. Contract Commitments

The City of Wayne has entered into contracts for the purchase, construction or renovation of various facilities as follows:

| | <u>Contract</u> | <u>Expended to Date</u> | <u>Remaining Commitment</u> |
|------------------------------------|---------------------|-----------------------------|---------------------------------|
| <u>Primary Government</u> | | | |
| Newburgh Bridge Replacement | \$ 78,327 | \$ 78,179 | \$ 148 |
| Walking Trail (70%) | 101,969 | 100,594 | 1,375 |
| Cross Connection | 14,928 | 8,708 | 6,220 |
| CSO/PPC Program | 220,000 | 200,687 | 19,313 |
| Water and Sewer Bond Projects | 3,298,029 | 2,097,160 | 1,200,869 |
| Michigan Ave. - Heywood/Howe (63%) | 652,938 | 558,574 | 94,364 |
| Website Design (50%) | 15,000 | 7,500 | 7,500 |
| Howe Road Resurface | 57,599 | 28,799 | 28,800 |
| Glenwood Heights | 180,271 | 81,850 | 98,421 |
| Avondale #6 | 78,000 | 25,888 | 52,112 |
| Soroptomist Park | 212,000 | 94,738 | 117,262 |
| REC Renovations | 124,000 | 99,200 | 24,800 |
| Storm Water Outfall Inspection | 20,000 | 11,421 | 8,579 |
| | <u>\$ 5,053,061</u> | <u>\$ 3,393,298</u> | <u>\$ 1,659,763</u> |

CITY OF WAYNE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
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Note 4 Other Notes - continued

4.A. Contract Commitments - continued

| | <u>Contract</u> | <u>Expended to Date</u> | <u>Remaining Commitment</u> |
|---------------------------------------|-------------------|-----------------------------|---------------------------------|
| <u>Downtown Development Authority</u> | | | |
| <u>Major Component Unit</u> | | | |
| Walking Trail (30%) | \$ 43,701 | \$ 43,112 | \$ 589 |
| Michigan Avenue Tree Planting | 229,473 | 225,873 | 3,600 |
| 2006 Street Lighting | 3,000 | 900 | 2,100 |
| 2007 Street Lighting | 12,500 | 8,750 | 3,750 |
| Mural | 6,245 | 3,500 | 2,745 |
| Mural - Phase #2 | 49,000 | 24,501 | 24,499 |
| Michigan Ave. - Heywood/Howe (37%) | 383,471 | 328,051 | 55,420 |
| Property Evaluation | 42,000 | 40,000 | 2,000 |
| Website Design (50%) | 15,000 | 7,500 | 7,500 |
| | <u>\$ 784,390</u> | <u>\$ 682,187</u> | <u>\$ 102,203</u> |

4.B. Risk Management - Insurance

Description

The City's risk management activities are recorded in the Risk Management Internal Service Fund. The purpose of this fund is to administer property casualty and workers' compensation programs of the City. This fund accounts for the risk financing activities of the City but does not constitute a transfer of risk from the City.

For self-insured programs there have been no significant reductions in insurance coverage. Settlement amounts exceeding insurance coverage for the past three fiscal years are as follows:

| <u>Year Ending</u> | <u>Excess</u> |
|--------------------|---------------|
| <u>June 30,</u> | |
| 2008 | None |
| 2007 | None |
| 2006 | None |

Claim costs are assumed within certain limits; beyond that reinsurance has been:

- (1) Property Casualty Claims - The City is an individual member of the Michigan Municipal Risk Management Authority, which is a self-insurance program for general liability and auto liability, motor vehicle physical damage and property loss claims. Coverage is on an occurrence basis. The program provides reinsurance, which is partially underwritten by the Authority itself, in the following amounts:

| <u>Nature of Claim</u> | <u>Retention *</u> | <u>Limits of Reinsurance</u> |
|----------------------------|---|--|
| General and auto liability | \$75,000 per occurrence | \$15,000,000 per occurrence |
| Auto physical damage | \$15,000 each vehicle; \$30,000 any one occurrence | \$300,000 each vehicle; \$650,000 any one occurrence |
| Property | \$1,000 plus 10 percent of the next \$100,000 | Replacement cost per location (Building and contents) |

* Retention amounts represent the dollar amount that the City pays before reinsurance coverage begins.

CITY OF WAYNE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
(PAGE 28 OF 34)

Note 4 Other Notes - continued

4.B. Risk Management - Insurance - continued

In addition to losses retained, the City is responsible for certain legal defense costs. The City has elected to participate in the Authority's stop-loss program that limited the paid losses to \$75,000, to a maximum of \$260,000 for the year ending June 30, 2008.

The estimated liability for reported claims has been recorded in the Risk Management Internal Service Fund. Upon termination of the program, any amounts remaining on deposit after the Authority has settled all claims incurred prior to termination will be returned to the City.

Changes in the balance of claims liabilities for property casualty during the current and prior year are as follows:

| | June 30, <u>2008</u> | June 30, <u>2007</u> |
|--|-------------------------|-------------------------|
| Beginning of Fiscal Year Liability | \$ 30,025 | \$ 44,293 |
| Current Year Claims and Changes in Estimates | (15,615) | (64,424) |
| Claim Payments | 62,997 | 50,156 |
| End of Fiscal Year Liability | <u>\$ 77,407</u> | <u>\$ 30,025</u> |

(2) Worker's Compensation Claims - The City is an approved Self-Insurer by the State of Michigan Department of Labor. In accordance with State regulations, the City maintains a loss fund, hires a third party administrator and purchases reinsurance from an approved reinsurer. That policy provides the following excess indemnity coverage:

| <u>Coverage</u> | <u>Retention</u> | <u>Limits or Reinsurance</u> |
|-----------------|--------------------------|------------------------------|
| Specific | \$300,000 per occurrence | \$5,000,000 per occurrence |
| Aggregate | \$800,000 minimum @ 100% | \$5,000,000 total |

The City has \$2,024,208 available to pay claims. It anticipates that \$200,409 will be paid for claims reported to date. The City is unable to estimate the liability for claims incurred but not reported. The liability for reported claims has been recorded in the Risk Management Internal Service Fund.

Changes in the balance of claims liabilities for workers compensation during the current and prior year are as follows:

| | June 30, <u>2008</u> | June 30, <u>2007</u> |
|--|-------------------------|-------------------------|
| Beginning of Year Fiscal Liability | \$ 262,650 | \$ 113,346 |
| Current Year Claims and Changes in Estimates | (62,241) | 149,304 |
| End of Fiscal Year Liability | <u>\$ 200,409</u> | <u>\$ 262,650</u> |

CITY OF WAYNE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
(PAGE 29 OF 34)

Note 4 Other Notes - *continued*

4.C. Contingent Liabilities - Lawsuits and Other

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

4.D. Joint Ventures

- (1) Nankin Transit Commission - The City participates in the Nankin Transit Commission with the cities of Garden City, Inkster, and Westland. The Commission was created as an intergovernmental organization for the purpose of providing for the operation, management, financing, and planning of local and specialized transit services in the participants' areas. Under the terms of a purchase of service contract entered into between the Nankin Transit Commission and the Suburban Mobility Authority for Regional Transportation (SMART), SMART has agreed to provide, among other things, certain equipment, vehicles and technical assistance necessary to provide public transportation services within a specified area. Two members of the Board of Directors for the joint venture are appointed by each of the four participating governments. The Board of Directors is responsible for approving the annual budget. The operating budget is funded by contributions from each participating government as well as contributions from SMART, the State of Michigan and the Federal Government. The City's contribution is based on a per capita basis and totaled \$21,000 for the year ended June 30, 2008. The City of Wayne represents approximately 12% of the per capita base of this organization. The City has no investment in the assets, liabilities and fund equity of the Nankin Transit Commission.

Complete financial statements of the Nankin Transit Commission can be obtained at the entity's administrative office: Nankin Transit Commission, 37151 Marquette, Westland, MI 48185.

- (2) Central Wayne County Sanitation Authority - The City is a member of the Central Wayne County Sanitation Authority along with the cities of Dearborn Heights, Garden City, Inkster and Westland. The Authority was created as an intergovernmental organization for the purpose of establishing and operating sanitary waste disposal operations for the mutual advantage of the governments. One member of the Board of Directors for the joint venture is appointed by each government. The Board of Directors is responsible for approving the annual budget. The operating and debt requirements are funded by contributions from each participating government. At June 30, 2007, all Authority debt was paid off in full. The City of Wayne has no investment in the Authority.

Complete financial statements of the Central Wayne County Sanitation Authority can be obtained at the entity's administrative office: Central Wayne County Sanitation Authority, 3759 Commerce Court, Wayne, MI 48184.

CITY OF WAYNE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
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Note 4 Other Notes - continued

4.E. Other Postemployment Benefits

In addition to providing pension benefits, the City provides post employment health care to all employees who retire from the City as per contractual agreements for union employees and Council resolution for non-union employees. Currently 131 retirees meet eligibility requirements. Retirees, who began employment with the City prior to the hire date below, their spouses and any dependents under the age of nineteen are covered for health insurance after ten years of service. Exempt employees have full coverage after ten years of service. For employees who were hired after the hire date below, the City pays a percentage of the health insurance premium for the retiree and spouse (no spousal at Court) with premiums paid at 100%, 75%, and 50% based upon 25, 20, or 15 years of service (including current Fire union employees). Employees (not Fire union) retired with 25 years of service after the Health Savings Account date will be enrolled in a Health Savings Account and be responsible for the increase in the IRS deductible up to \$100 per month that exceeds the 2007 established deductible of \$1,250 one person and \$2,500 two person/family deduction. Contracts provide current employees their retirement insurance premiums for retiree, spouse, or dependent paid at 75% and 50% based upon 20 or 15 years of service. New employees hired after the Health Savings date will be responsible for the entire IRS deductible.

| | Hire Date/ Employee <u>Coverage</u> | Spouse <u>Coverage</u> | Health Svgs./ Dependent <u>Coverage</u> |
|--------------|---|---------------------------|---|
| General | 10/01/85 | 10/01/85 | 07/01/08 |
| Supervisors | 10/01/85 | 10/01/85 | 07/01/07 |
| Court | 10/01/85 | No Coverage | 12/18/07 |
| POAM Patrol | 10/15/84 | 10/15/84 | 07/01/07 |
| ESD Dispatch | 10/15/84 | 10/15/84 | 07/01/07 |
| COAM Command | 10/15/84 | 10/15/84 | 07/01/06 |
| Fire | 07/01/85 | 07/01/85 | No Coverage |
| TPOAM | 11/01/85 | 11/01/85 | 07/01/07 |

Postemployment life insurance benefits are provided on a contractual basis; current contracts provide for retiree life insurance in the amount of \$8,000 with ten years of service.

The cost of retiree health care and life insurance benefits is paid by the retired lives medical coverage fund and totaled \$1,413,155 for the year ended June 30, 2008. These post employment benefits are funded by the City on a pay-as-you-go basis calculated at 15.0% of gross wages. The City recognizes the cost of other post employment benefits based on monthly premiums paid or payable at June 30, 2008.

4.F. Pension Trust Fund

Plan Description - The City of Wayne Public Employees Retirement System was established by the City Charter and is maintained as a single employer plan for the employees of the City of Wayne. The City Charter may be amended only by a vote of the electorate. The plan is administered as a single plan under which benefits are derived from both a defined benefit component and defined contribution component. The City of Wayne contributes to the defined benefit portion of the plan and the City of Wayne employees contribute to the defined contribution portion of the plan. The City obtained a favorable determination letter from the Internal Revenue Service establishing qualification for plan years beginning after December 31, 1987. A stand alone financial report is not issued for the plan.

CITY OF WAYNE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
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Note 4 Other Notes - continued

4.F. Pension Trust Fund - continued

During the fiscal year 2007-08 Court, Fire, General, Supervisors, TPOAM and Police COAM, ESD, and POAM employees negotiated through collective bargaining agreements or letters of understanding to join the Municipal Employees' Retirement System (MERS) of Michigan, created for municipal employees by the State of Michigan Act 427 of 1984. The citizens of Wayne voted in May 2008 to transfer the administration and investment of retiree assets to MERS.

Employee Coverage and Current Membership - Employee coverage is identical for both plans. Employees eligible for the plans include those in the classified service of the City, all administrative officers and employees of the District Court, excluding the current judge. The City's payroll covered by retirement was \$9,570,053 for employees in the defined contribution plan for the year ended June 30, 2008. The same payroll was used for the defined benefit plan. The City's total payroll was \$15,872,639. Current membership in the plans is comprised of the following:

| <u>Group</u> | <u>Defined Contribution</u> | <u>Defined Benefit</u> |
|---|---------------------------------|----------------------------|
| Retirees and Beneficiaries Currently Receiving Benefits | <u>10</u> | <u>1</u> |
| Active Employees | <u>156</u> | <u>156</u> |

As of June 30, 2008, two retirees are receiving pension benefits from MERS. There are nine terminated plan members who are entitled to but not receiving benefits from MERS.

Benefits and Eligibility - The City of Wayne City Charter, collective bargaining agreements, and letters of understanding provide for retirement benefits. The City of Wayne City Charter addresses death and disability benefits. Retirement benefits vest after ten years of credited service and increase by two percent compounded each January 1 beginning 12 months after retirement. For current retirees, cost-of-living adjustments based on the CPI will be compounded up to two percent once the original retirement allowance increases are exhausted.

General employees are eligible for retirement at age 55 with ten years of service. (Supervisors and Court employees are eligible for retirement with 30 years and TPOAM are eligible with 25 years of service regardless of age.) Police and Fire employees are eligible for retirement at age 50 with ten years of service (25 years of service regardless of age). Upon joining MERS, the City Council adopted Act 88 and the ability to purchase five years of generic time.

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting - The City of Wayne Pension Trust Fund financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments - Equity securities are reported at fair value. Short-term investments are reported at cost which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Realized gains and losses on sales and exchanges of securities are recognized on the transaction date. No investment, other than U.S. Government and U.S. Government Guaranteed Obligations, represent more than 5 percent of the plan's net assets available for benefits.

CITY OF WAYNE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
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Note 4 Other Notes - continued

4.F. Pension Trust Fund - continued

Contributions and Reserves - Covered employees are required to contribute 7% of their gross salary to the defined contribution plan. If an employee leaves covered employment or dies before 10 years of credited service, accumulated employee contributions plus related investment earnings are refunded to the employee or designated beneficiary. The City is required to contribute amounts to the defined benefit plan necessary to finance the coverage of its employees. The City's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The costs of administering the pension plan are financed by investment earnings

Annual Pension Cost

For the year ended June 30, 2008, the City's annual pension cost of \$2,538,891 was equal to the City's required and actual contributions. The annual required contribution was determined as part of an actuarial valuation at June 30, 2006, using the entry age actuarial cost method. The actuarial assumptions included (a) an investment rate of return of 7.75%, (b) projected salary increases of 4.0% to 7.8%, (c) an inflation rate of 4.0%, and (d) a cost of living adjustment of 2% each July 1, after twelve months of retirement (AFSCME/DPW, Court, Emergency Service Dispatchers, Exempt, Fire, General, Police and Command receive unlimited increases.) The unfunded actuarial liability, if any, is being amortized as a level percent of payroll for a remaining period of 25 years open.

Three year trend information:

| <u>Plan Fiscal Year Ended</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage Contributed</u> | <u>Net Pension Obligation (NPO)</u> |
|-------------------------------|--|-----------------------------------|---|
| June 30, 2008 | \$ 2,538,891 | 100% | \$ -- |
| June 30, 2007 | \$ 2,354,296 | 100% | \$ -- |
| June 30, 2006 | \$ 2,023,320 | 100% | \$ -- |

Financial statements of the Pension Trust Fund and other post employment benefits for the year ended June 30, 2008 are as follows:

STATEMENT OF NET ASSETS

| <u>ASSETS</u> | <u>Pension Trust Fund</u> | <u>Public Employee Health Care</u> | <u>Total</u> |
|--------------------------------------|-------------------------------|--|---------------|
| Cash and Cash Equivalents | \$ 1,341,556 | \$ 142,216 | \$ 1,483,772 |
| Investments, at Fair Value | | | |
| Mutual Funds | 20,944,684 | -- | 20,944,684 |
| United States Government Obligations | -- | 441,440 | 441,440 |
| Common Stock | 29,905,957 | 1,016,099 | 30,922,056 |
| Total Investments | 50,850,641 | 1,457,539 | 52,308,180 |
| Interest/Dividend Receivable | 44,071 | -- | 44,071 |
| Total Assets | \$ 52,236,268 | \$ 1,599,755 | \$ 53,836,023 |

CITY OF WAYNE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
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Note 4 Other Notes - continued

4.F. Pension Trust Fund - continued

STATEMENT OF NET ASSETS

| | Pension Trust <u>Fund</u> | Public Employee <u>Health Care</u> | <u>Total</u> |
|--|------------------------------|---------------------------------------|----------------------|
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| Liabilities: | | | |
| Accounts Payable | \$ 99,725 | \$ -- | \$ 99,725 |
| Fund Balances: | | | |
| Reserve for: | | | |
| General Employee Contributions | 470,537 | -- | 470,537 |
| Police and Fire Employees Contributions | 3,283,206 | -- | 3,283,206 |
| Employer Contributions - General Employees | 13,675,648 | -- | 13,675,648 |
| Employer Contributions - Police and Fire Employees | 27,826,648 | -- | 27,826,648 |
| Member Annuity | 122,764 | -- | 122,764 |
| Retirement Benefit Payments | 6,757,740 | -- | 6,757,740 |
| Health Care Payments | -- | 1,599,755 | 1,599,755 |
| Total Reserved Fund Balances | <u>52,136,543</u> | <u>1,599,755</u> | <u>53,736,298</u> |
| Total Liabilities and Fund Balances | <u>\$ 52,236,268</u> | <u>\$ 1,599,755</u> | <u>\$ 53,836,023</u> |

STATEMENT OF CHANGES IN NET ASSETS

| | Pension Trust <u>Fund</u> | Public Employee <u>Health Care</u> | <u>Total</u> |
|--|------------------------------|---------------------------------------|----------------------|
| Additions: | | | |
| Contributions: | | | |
| Employer | \$ 1,718,110 | \$ 50,000 | \$ 1,768,110 |
| Employee | 502,034 | -- | 502,034 |
| Investment Income: | | | |
| Net Appreciation (Depreciation) in Fair Value of Investments | (3,519,408) | (295,616) | (3,815,024) |
| Interest and Dividends | 704,956 | 47,057 | 752,013 |
| Investment Administration Fees | (607,119) | (16,222) | (623,341) |
| Total Additions | <u>(1,201,427)</u> | <u>(214,781)</u> | <u>(1,416,208)</u> |
| Deductions: | | | |
| Benefits | (4,161,420) | -- | (4,161,420) |
| Refunds | (39,687) | -- | (39,687) |
| Contributions to Public Plan | (17,351,855) | -- | (17,351,855) |
| Total Deductions | <u>(21,552,962)</u> | <u>--</u> | <u>(21,552,962)</u> |
| Net Change in Net Assets | <u>(22,754,389)</u> | <u>(214,781)</u> | <u>(22,969,170)</u> |
| Net Assets at Beginning of Year | <u>74,890,932</u> | <u>1,814,536</u> | <u>76,705,468</u> |
| Net Assets at End of Year | <u>\$ 52,136,543</u> | <u>\$ 1,599,755</u> | <u>\$ 53,736,298</u> |

CITY OF WAYNE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
(PAGE 34 OF 34)

Note 4 Other Notes - *continued*

4.G. Special Revenue Funds - Fund Deficits

The Community Development Block Grant Fund is reporting a deficit in fund balance of \$1,192 at year end. The Federal Grant Fund is reporting a deficit in fund balance of \$139,292 at year end. These deficits represent federal grant funding under expenditure reimbursement programs through Community Development Block Grant, the U.S. Department of Justice, the U.S. Department of Homeland Security, and the Michigan Department of Natural Resources Development Project. Therefore, expenditures are reported prior to related receipts to reimburse those expenditures. As a special revenue fund, these funds must follow the modified accrual basis which requires that revenue not be reported until measurable and available. The fund deficit represents expenditures made but not reimbursed within sixty days after year end. However, the reimbursement will be received at some later date; therefore, eliminating the fund deficit.

4.H. New Accounting Pronouncements

In 2004, Governmental Accounting Standards Board issued Statements No. 43 and 45, Financial Reporting by Employers for Postemployment Benefit Plans Other Than Pension Plans. These statements establish new financial reporting requirements for post employment benefit plans. The new pronouncements will require the City to recognize the cost of providing retiree benefits for the remaining life span of retired employees. The City is required to implement these standards for the fiscal year ended June 30, 2009. The City has not yet determined the full impact of these new standards.

4.I. Subsequent Events

On May 20, 2008, the City Council accepted the low bid from Sutphen/Apollo Fire in the amount of \$365,042 for a new fire pumper. The expenditure is to be paid through a grant from the 2007 Assistance to Firefighters Program with a required 5% match from the City.

On February 19, 2008, the City Council adopted a resolution declaring intent to reimburse expenditures for the Community Center Project including issuing \$1,800,000 tax-exempt bonds through a contract with the City of Wayne Building Authority. The bonds have subsequently been issued for that amount, dated September 23, 2008, and are to be repaid on a twenty year schedule with interest at 3.00% to 5.25%.

On March 14, 2008, the City Council adopted a resolution authorizing issue of \$730,000 of 2008 Michigan Transportation Fund Bonds. The bonds have subsequently been issued for that amount, dated July 29, 2008, and are to be repaid on a twenty year schedule with interest at 4.25% to 5.10%.

CITY OF WAYNE, MICHIGAN
DEFINED BENEFIT TRUST TREND INFORMATION
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2008

CITY OF WAYNE, MICHIGAN
SCHEDULE OF FUNDING PROGRESS

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) - Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------------|--|---|------------------------------------|--------------------------|---------------------------|--|
| 6/30/98 | \$ 55,811,637 | \$ 45,652,814 | \$ (10,158,823) | 122.3% | \$ 6,731,032 | \$ (150.9%) |
| 6/30/99 | \$ 61,862,644 | \$ 55,015,268 | \$ (6,847,376) | 112.4% | \$ 7,310,710 | \$ (93.7%) |
| 6/30/00 | \$ 66,040,097 | \$ 57,649,490 | \$ (8,390,607) | 114.6% | \$ 7,508,589 | \$ (111.7%) |
| 6/30/01 | \$ 67,427,370 | \$ 61,115,637 | \$ (6,311,733) | 110.3% | \$ 8,053,440 | \$ (78.4%) |
| 6/30/02 | \$ 65,484,056 | \$ 64,685,164 | \$ (798,892) | 101.2% | \$ 8,769,333 | \$ (9.1%) |
| 6/30/03 | \$ 64,696,561 | \$ 66,992,770 | \$ 2,296,209 | 96.6% | \$ 8,430,533 | \$ 27.2% |
| 6/30/04 | \$ 64,146,672 | \$ 69,998,423 | \$ 5,851,751 | 91.6% | \$ 8,483,778 | \$ 69.0% |
| 6/30/05 | \$ 64,583,868 | \$ 74,094,644 | \$ 9,510,776 | 87.2% | \$ 9,096,026 | \$ 104.6% |
| 6/30/06 | \$ 65,300,288 | \$ 80,797,903 | \$ 15,497,615 | 80.8% | \$ 9,871,101 | \$ 157.0% |
| 6/30/07 | \$ 70,933,470 | \$ 82,315,416 | \$ 11,381,946 | 86.2% | \$ 9,108,374 | \$ 125.0% |

CITY OF WAYNE, MICHIGAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS

| Year Ended | Annual Required Contribution | Percentage Contributed |
|---------------|------------------------------------|---------------------------|
| 6/30/98 | \$ 658,282 | 100% |
| 6/30/99 | \$ 641,304 | 100% |
| 6/30/00 | \$ 547,954 | 100% |
| 6/30/01 | \$ 787,284 | 100% |
| 6/30/02 | \$ 848,825 | 100% |
| 6/30/03 | \$ 1,014,194 | 100% |
| 6/30/04 | \$ 1,315,422 | 100% |
| 6/30/05 | \$ 1,682,747 | 100% |
| 6/30/06 | \$ 2,210,555 | 100% |
| 6/30/07 | \$ 2,321,391 | 100% |

CITY OF WAYNE, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

| | Budgeted Amounts | | | Variance with Final Budget Favorable (Unfavorable) |
|--|------------------|--------------|--------------|---|
| | Original | Final | Actual | |
| Revenues. | | | | |
| Taxes | \$ 7,982,647 | \$ 8,486,716 | \$ 8,489,112 | \$ 2,396 |
| Licenses and Permits | 384,975 | 399,808 | 374,632 | (25,176) |
| Intergovernmental | 2,316,035 | 2,313,859 | 2,310,959 | (2,900) |
| Charges for Services and Sales | 2,076,869 | 2,011,583 | 2,152,931 | 141,348 |
| Fines and Forfeits | 531,431 | 652,000 | 646,418 | (5,582) |
| Interest and Rents | 573,090 | 530,531 | 539,041 | 8,510 |
| Other Revenue | 5,805,986 | 5,694,885 | 5,630,587 | (64,298) |
| Total Revenues | 19,671,033 | 20,089,382 | 20,143,680 | 54,298 |
| Expenditures | | | | |
| Current | | | | |
| General Government | 2,732,109 | 2,935,652 | 2,913,915 | 21,737 |
| District Court | 941,410 | 913,220 | 916,263 | (3,043) |
| Public Safety | 9,198,485 | 9,279,510 | 9,348,058 | (68,548) |
| Public Services | 1,666,677 | 1,923,898 | 1,957,204 | (33,306) |
| Health and Welfare | 347,480 | 260,305 | 251,325 | 8,980 |
| Recreation and Culture | 3,592,988 | 3,250,877 | 3,190,980 | 59,897 |
| Capital Outlay | 1,184,000 | 391,225 | 107,798 | 283,427 |
| Total Expenditures | 19,663,149 | 18,954,687 | 18,685,543 | 269,144 |
| Excess of Revenues Over Expenditures | 7,884 | 1,134,695 | 1,458,137 | 323,442 |
| Other Financing Sources/(Uses): | | | | |
| Financing Proceeds | 1,100,000 | -- | 22,637 | 22,637 |
| Transfers from | | | | |
| Major Street Fund | 5,000 | -- | -- | -- |
| Local Street Fund | 25,000 | -- | -- | -- |
| 911 Service Fund | 120,000 | 124,000 | 114,187 | (9,813) |
| Federal Grant Fund | 197,162 | 293,351 | 180,480 | (112,871) |
| Community Development Block Grant Fund | 42,700 | 42,700 | 47,823 | 5,123 |
| Water and Sewer Fund | 125,000 | -- | -- | -- |
| Transfers to | | | | |
| Local Street Fund | (50,000) | (50,000) | (50,000) | -- |
| General Debt Service Fund | (432,638) | -- | -- | -- |
| General Projects Fund | -- | -- | (100,178) | (100,178) |
| Building Authority Fund | (898,008) | (1,330,646) | (1,330,295) | 351 |
| Risk Management Fund | (300,000) | (240,000) | (240,000) | -- |
| Cemetery Perpetual Care Permanent Fund | (3,176) | (3,176) | -- | 3,176 |
| Trust and Agency Fund | (800) | (800) | -- | 800 |
| Transfers from Component Units: | | | | |
| Downtown Development Authority | 35,000 | -- | -- | -- |
| Proceeds from Sale of Capital Assets | -- | 3,000 | 2,167 | (833) |
| Total Other Financing Sources/(Uses) | (34,760) | (1,161,571) | (1,353,179) | (191,608) |
| Net Change in Fund Balance | (26,876) | (26,876) | 104,958 | 131,834 |
| Fund Balance at Beginning of Year | 2,188,396 | 2,188,396 | 2,188,396 | -- |
| Fund Balance at End of Year | \$ 2,161,520 | \$ 2,161,520 | \$ 2,293,354 | \$ 131,834 |

CITY OF WAYNE, MICHIGAN
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
MOTOR VEHICLE HIGHWAY FUND - MAJOR STREET AND TRUNKLINE FUND

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Favorable (Unfavorable)</u> |
|--------------------------------------|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental Revenues | | | | |
| Weight and Gas Tax | \$ 741,945 | \$ 709,620 | \$ 709,840 | \$ 220 |
| Trunkline Maintenance | 57,503 | 54,206 | 43,024 | (11,182) |
| Interest | 10,000 | 10,500 | 10,696 | 196 |
| Other Revenue | 47,648 | 74,254 | 71,557 | (2,697) |
| Total Revenues | <u>857,096</u> | <u>848,580</u> | <u>835,117</u> | <u>(13,463)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Routine Maintenance | 211,721 | 244,198 | 241,556 | 2,642 |
| Traffic Service | 73,295 | 55,883 | 54,151 | 1,732 |
| Snow and Ice Removal | 124,465 | 189,914 | 190,483 | (569) |
| Trunkline | 57,503 | 55,431 | 50,200 | 5,231 |
| Capital Outlay | 122,648 | 159,444 | 146,731 | 12,713 |
| Total Expenditures | <u>589,632</u> | <u>704,870</u> | <u>683,121</u> | <u>21,749</u> |
| Excess of Revenues Over Expenditures | <u>267,464</u> | <u>143,710</u> | <u>151,996</u> | <u>8,286</u> |
| Other Financing Sources | | | | |
| Transfers to | | | | |
| Local Street Fund | (415,486) | (402,493) | (399,433) | 3,060 |
| Total Other Financing Sources | <u>(415,486)</u> | <u>(402,493)</u> | <u>(399,433)</u> | <u>3,060</u> |
| Net Change in Fund Balance | <u>(148,022)</u> | <u>(258,783)</u> | <u>(247,437)</u> | <u>11,346</u> |
| Fund Balance at Beginning of Year | <u>341,927</u> | <u>341,927</u> | <u>341,927</u> | <u>--</u> |
| Fund Balance at End of Year | <u>\$ 193,905</u> | <u>\$ 83,144</u> | <u>\$ 94,490</u> | <u>\$ 11,346</u> |

MOTOR VEHICLE HIGHWAY FUND - LOCAL STREET FUND

| | | | | |
|--|-------------------|-------------------|-------------------|------------------|
| Revenues | | | | |
| Intergovernmental Revenues: | | | | |
| Weight and Gas Tax | \$ 292,476 | \$ 263,658 | \$ 280,113 | \$ 16,455 |
| Interest | 12,000 | 15,300 | 15,416 | 116 |
| Miscellaneous Revenue | -- | 365,227 | 463,807 | 98,580 |
| Total Revenues | <u>304,476</u> | <u>644,185</u> | <u>759,336</u> | <u>115,151</u> |
| Expenditures | | | | |
| Current | | | | |
| Routine Maintenance | 638,118 | 669,552 | 674,632 | (5,080) |
| Traffic Service | 34,247 | 24,035 | 31,112 | (7,077) |
| Snow and Ice Removal | 113,770 | 195,465 | 189,115 | 6,350 |
| Capital Outlay | 100,000 | 360,455 | 406,391 | (45,936) |
| Total Expenditures | <u>886,135</u> | <u>1,249,507</u> | <u>1,301,250</u> | <u>(51,743)</u> |
| Excess /(Deficiency) of Revenues Over/(Under) Expenditures | <u>(581,659)</u> | <u>(605,322)</u> | <u>(541,914)</u> | <u>63,408</u> |
| Other Financing Sources: | | | | |
| Transfers from | | | | |
| General Fund | 50,000 | 50,000 | 50,000 | -- |
| Major Street Fund | 415,486 | 415,486 | 399,433 | (16,053) |
| Total Other Financing Sources | <u>465,486</u> | <u>465,486</u> | <u>449,433</u> | <u>(16,053)</u> |
| Net Change in Fund Balance | <u>(116,173)</u> | <u>(139,836)</u> | <u>(92,481)</u> | <u>47,355</u> |
| Fund Balance at Beginning of Year | <u>530,135</u> | <u>530,135</u> | <u>530,135</u> | <u>--</u> |
| Fund Balance at End of Year | <u>\$ 413,962</u> | <u>\$ 390,299</u> | <u>\$ 437,654</u> | <u>\$ 47,355</u> |

CITY OF WAYNE, MICHIGAN
FOOTNOTES TO REQUIRED
SUPPLEMENTARY INFORMATION
JUNE 30, 2008

Legal Compliance - Budgets - Accounting and Reporting

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general fund and ten special revenue funds (Major Street Fund, Local Street Fund, Refuse Collection and Disposal Fund, Metro Act Fund, Public Improvement Fund, 911 Service Fund, Vehicle Forfeiture Fund, Drug Enforcement Fund, Federal Grant Fund, and Library Operations Fund.

Functional activity (i.e. general government, district court, public safety, etc.,) is the legal level of control at which expenditures may not legally exceed appropriations for the general fund budget. Total expenditures is the legal level of control for all special revenue funds.

The City is legally subject to the budgetary control requirement of Michigan Public Act (P.A.) 2 of 1978, as amended. The following is a summary of the requirements of this Act.

- a. Budgets must be adopted for the General Fund and Special Revenue Funds.
- b. The budgets must be balanced.
- c. The budgets must be amended when necessary.
- d. Public hearings must be held before budget adoptions.
- e. Expenditures cannot exceed budget appropriations.
- f. Expenditures must be authorized by a budget before being incurred.

The City adopts its budget by functional activity which is in accordance with the State's legal requirement and is the level of classification detail at which expenditures may not legally exceed appropriations.

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

- (i) At the second regular meeting in April, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes the proposed expenditures and the means of financing them, for the General Fund and Special Revenue Funds. The budgets are adopted on a basis consistent with generally accepted accounting principles.
- (ii) Public hearings are conducted to obtain taxpayer comments.
- (iii) At the second regular meeting in May, the General Fund and Special Revenue budgets are legally enacted through passage of a resolution by the City Council. The budgeting technique groups various departments into activities by function of service.
- (iv) After the budget has been adopted no money can be drawn from the treasury of the City, nor can any obligation for the expenditure of money be incurred except pursuant to the budget appropriation.
- (v) Formal budgetary integration is employed as a management control device during the year for all budgetary funds.
- (vi) The Finance Director is authorized to make budgetary transfers within appropriation centers. The City Manager is authorized to make budgetary transfers between appropriation centers as long as no appropriation center is increased by more than 2.5%. All other transfers between appropriation centers may be made only by further action of the City Council pursuant to the provisions of the Michigan Uniform Accounting and Budgeting Act.

CITY OF WAYNE, MICHIGAN
 FOOTNOTES TO REQUIRED
 SUPPLEMENTARY INFORMATION
JUNE 30, 2008

Legal Compliance - Budgets - Accounting and Reporting *(continued)*

(vii) The original budget was amended during the year. Budgetary comparison schedules for the major governmental funds are presented in the Supplemental Section as Required Supplementary Information.

For the year ended June 30, 2008, expenditures and transfers exceeded appropriations for the following functional activities:

| Functional Activity | Original Budget | Final Budget | Actual | Expenditures and Transfers In Excess of Appropriations |
|--|--------------------|-----------------|--------------|---|
| <u>General Fund</u> | | | | |
| Expenditures: | | | | |
| District Court | \$ 964,635 | \$ 913,220 | \$ 916,263 | \$ 3,043 |
| Public Safety | \$ 9,422,947 | \$ 9,279,510 | \$ 9,348,058 | \$ 68,548 |
| Public Services | \$ 2,014,262 | \$ 1,923,898 | \$ 1,957,204 | \$ 33,306 |
| <u>Major Street and Trunkline Fund</u> | | | | |
| Snow and Ice Removal | \$ 124,465 | \$ 189,914 | \$ 190,483 | \$ 569 |
| <u>Local Street Fund</u> | | | | |
| Routine Maintenance | \$ 638,118 | \$ 669,552 | \$ 674,632 | \$ 5,080 |
| Traffic Service | \$ 34,247 | \$ 24,035 | \$ 31,112 | \$ 7,077 |
| Capital Outlay | \$ 100,000 | \$ 360,455 | \$ 406,391 | \$ 45,936 |

CITY OF WAYNE, MICHIGAN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008

| | Special Revenue | Debt Service | Capital Projects | Permanent Fund | Total |
|---|---------------------|------------------|---------------------|-------------------|---------------------|
| <u>ASSETS</u> | | | | | |
| Assets: | | | | | |
| Cash and Cash Equivalents | \$ 1,299,919 | \$ 35,254 | \$ 503,070 | \$ 327,596 | \$ 2,165,839 |
| Receivables: | | | | | |
| Accounts | 20,059 | -- | 860 | -- | 20,919 |
| Taxes Receivable | 11,401 | -- | -- | -- | 11,401 |
| Intergovernmental | 275,310 | -- | 190,000 | -- | 465,310 |
| Land Contracts | -- | -- | 17,939 | -- | 17,939 |
| Due from Other Funds | -- | -- | 75,000 | -- | 75,000 |
| Prepaid Items | -- | -- | 750 | -- | 750 |
| Total Assets | <u>\$ 1,606,689</u> | <u>\$ 35,254</u> | <u>\$ 787,619</u> | <u>\$ 327,596</u> | <u>\$ 2,757,158</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | \$ 278,700 | \$ -- | \$ 192,002 | \$ 621 | \$ 471,323 |
| Due to Other Funds | 224,051 | -- | -- | -- | 224,051 |
| Interfund Payable | 15,612 | -- | 69,178 | -- | 84,790 |
| Accrued Salaries and Wages | 9,741 | -- | -- | -- | 9,741 |
| Customer Deposits | -- | -- | 700 | -- | 700 |
| Deferred Revenue | 175,399 | -- | 165,183 | -- | 340,582 |
| Total Liabilities | <u>703,503</u> | <u>--</u> | <u>427,063</u> | <u>621</u> | <u>1,131,187</u> |
| Fund Balances: | | | | | |
| Reserved | -- | 35,254 | 169,844 | 326,975 | 532,073 |
| Unreserved: | | | | | |
| Designated for Accrued Compensated Absences | 26,094 | -- | -- | -- | 26,094 |
| Unreserved, Undesignated | 877,092 | -- | 190,712 | -- | 1,067,804 |
| Total Fund Balances | <u>903,186</u> | <u>35,254</u> | <u>360,556</u> | <u>326,975</u> | <u>1,625,971</u> |
| Total Liabilities and Fund Balances | <u>\$ 1,606,689</u> | <u>\$ 35,254</u> | <u>\$ 787,619</u> | <u>\$ 327,596</u> | <u>\$ 2,757,158</u> |

CITY OF WAYNE, MICHIGAN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2008

| | Special Revenue | Debt Service | Capital Projects | Permanent Fund | Total |
|---|--------------------|--------------------|---------------------|-------------------|---------------------|
| Revenues | | | | | |
| Taxes | \$ 2,313,632 | \$ 428 | \$ -- | \$ -- | \$ 2,314,060 |
| Intergovernmental | 506,084 | -- | -- | -- | 506,084 |
| Charges for Services | 46,792 | -- | -- | 13,990 | 60,782 |
| Interest and Rents | 67,390 | -- | 19,243 | -- | 86,633 |
| Other | 257,043 | -- | 598,296 | -- | 855,339 |
| Total Revenues | <u>3,190,941</u> | <u>428</u> | <u>617,539</u> | <u>13,990</u> | <u>3,822,898</u> |
| Expenditures: | | | | | |
| Current | | | | | |
| General Government | -- | -- | 88,485 | 2,833 | 91,318 |
| Public Safety | 24,321 | -- | -- | -- | 24,321 |
| Public Works | 907,977 | -- | -- | -- | 907,977 |
| Community and Economic Development | 156,836 | -- | -- | -- | 156,836 |
| Recreation and Culture | 828,705 | -- | -- | -- | 828,705 |
| Capital Outlay | 553,582 | -- | 488,711 | -- | 1,042,293 |
| Debt Service: | | | | | |
| Principal | -- | 785,000 | -- | -- | 785,000 |
| Interest and Paying Agent Fees | -- | 912,824 | -- | -- | 912,824 |
| Total Expenditures | <u>2,471,421</u> | <u>1,697,824</u> | <u>577,196</u> | <u>2,833</u> | <u>4,749,274</u> |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | <u>719,520</u> | <u>(1,697,396)</u> | <u>40,343</u> | <u>11,157</u> | <u>(926,376)</u> |
| Other Financing Sources/(Uses): | | | | | |
| Intergovernmental Expenditures | (63,395) | -- | -- | -- | (63,395) |
| Transfers from Other Funds | -- | 1,697,824 | 1,505,941 | -- | 3,203,765 |
| Transfers to Other Funds | (417,958) | -- | (1,697,824) | -- | (2,115,782) |
| Sale of Capital Assets | -- | -- | 2,756 | -- | 2,756 |
| Total Other Financing Sources/(Uses) | <u>(481,353)</u> | <u>1,697,824</u> | <u>(189,127)</u> | <u>--</u> | <u>1,027,344</u> |
| Net Change in Fund Balance | <u>238,167</u> | <u>428</u> | <u>(148,784)</u> | <u>11,157</u> | <u>100,968</u> |
| Fund Balance at Beginning of Year | <u>665,019</u> | <u>34,826</u> | <u>509,340</u> | <u>315,818</u> | <u>1,525,003</u> |
| Fund Balance at End of Year | <u>\$ 903,186</u> | <u>\$ 35,254</u> | <u>\$ 360,556</u> | <u>\$ 326,975</u> | <u>\$ 1,625,971</u> |

CITY OF WAYNE, MICHIGAN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
JUNE 30, 2008

| | Road Program Fund | Refuse Collection and Disposal Fund | METRO Act Fund | Special Assessment Fund Public Improvement Fund |
|---|-------------------------|--|-------------------|--|
| <u>ASSETS</u> | | | | |
| Cash and Cash Equivalents | \$ 244,125 | \$ 538,184 | \$ 73,546 | \$ 82,280 |
| Receivables: | | | | |
| Accounts | -- | -- | -- | 20,059 |
| Taxes | 1,426 | 6,135 | -- | -- |
| Intergovernmental | -- | -- | -- | -- |
| Total Assets | <u>\$ 245,551</u> | <u>\$ 544,319</u> | <u>\$ 73,546</u> | <u>\$ 102,339</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$ 52 | \$ 159,447 | \$ -- | \$ 1,614 |
| Due to Other Funds | -- | 2,948 | -- | -- |
| Interfund Payable | -- | -- | -- | -- |
| Accrued Salaries and Wages | -- | -- | -- | -- |
| Deferred Revenue | 1,426 | 6,135 | -- | -- |
| Total Liabilities | <u>1,478</u> | <u>168,530</u> | <u>--</u> | <u>1,614</u> |
| Fund Balances: | | | | |
| Unreserved: | | | | |
| Designated for Accrued Compensated Absences | -- | -- | -- | -- |
| Unreserved, Undesignated | 244,073 | 375,789 | 73,546 | 100,725 |
| | <u>244,073</u> | <u>375,789</u> | <u>73,546</u> | <u>100,725</u> |
| Total Liabilities and Fund Balances | <u>\$ 245,551</u> | <u>\$ 544,319</u> | <u>\$ 73,546</u> | <u>\$ 102,339</u> |

| <u>911 Service Fund</u> | <u>Vehicle Forfeiture Fund</u> | <u>Drug Enforcement Fund</u> | <u>Federal Grant Fund</u> | <u>Library Operations Fund</u> | <u>Community Development Block Grant Fund</u> | <u>Total</u> |
|---------------------------------|--|--------------------------------------|-----------------------------------|--|---|---------------------|
| \$ -- | \$ 24,369 | \$ 73,453 | \$ -- | \$ 240,134 | \$ 23,828 | \$ 1,299,919 |
| -- | -- | -- | -- | -- | -- | 20,059 |
| -- | -- | -- | -- | 3,840 | -- | 11,401 |
| 13,266 | -- | -- | 204,052 | 26,011 | 31,981 | 275,310 |
| <u>\$ 13,266</u> | <u>\$ 24,369</u> | <u>\$ 73,453</u> | <u>\$ 204,052</u> | <u>\$ 269,985</u> | <u>\$ 55,809</u> | <u>\$ 1,606,689</u> |
| | | | | | | |
| \$ -- | \$ -- | \$ 949 | \$ -- | \$ 103,740 | \$ 12,898 | \$ 278,700 |
| 13,266 | -- | -- | 204,052 | -- | 3,785 | 224,051 |
| -- | -- | -- | -- | -- | 15,612 | 15,612 |
| -- | -- | -- | -- | 9,741 | -- | 9,741 |
| -- | -- | -- | 139,292 | 3,840 | 24,706 | 175,399 |
| 13,266 | -- | 949 | 343,344 | 117,321 | 57,001 | 703,503 |
| | | | | | | |
| -- | -- | -- | -- | 26,094 | -- | 26,094 |
| -- | 24,369 | 72,504 | (139,292) | 126,570 | (1,192) | 877,092 |
| -- | 24,369 | 72,504 | (139,292) | 152,664 | (1,192) | 903,186 |
| <u>\$ 13,266</u> | <u>\$ 24,369</u> | <u>\$ 73,453</u> | <u>\$ 204,052</u> | <u>\$ 269,985</u> | <u>\$ 55,809</u> | <u>\$ 1,606,689</u> |

CITY OF WAYNE, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

| | | | | Special Assessment Fund |
|---|-------------------------|--|-------------------|-------------------------------|
| | Road Program Fund | Refuse Collection and Disposal Fund | METRO Act Fund | Public Improvement Fund |
| Revenues: | | | | |
| Taxes | \$ 664,781 | \$ 981,983 | \$ -- | \$ -- |
| Intergovernmental Revenues: | | | | |
| Federal Grant/Entitlement | -- | -- | -- | -- |
| Other | -- | -- | -- | -- |
| Charges for Services | -- | -- | 46,792 | -- |
| Interest and Rents | 12,077 | 27,103 | 3,921 | -- |
| Other | -- | 13,668 | -- | 21,029 |
| Total Revenues | <u>676,858</u> | <u>1,022,754</u> | <u>50,713</u> | <u>21,029</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public Safety | -- | -- | -- | -- |
| Public Works | 1,295 | 889,947 | -- | 16,735 |
| Community and Economic Development | -- | -- | -- | -- |
| Recreation and Culture | -- | -- | -- | -- |
| Capital Outlay | 431,122 | -- | 107,348 | -- |
| Total Expenditures | <u>432,417</u> | <u>889,947</u> | <u>107,348</u> | <u>16,735</u> |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | <u>244,441</u> | <u>132,807</u> | <u>(56,635)</u> | <u>4,294</u> |
| Other Financing Sources/(Uses): | | | | |
| Intergovernmental Expenditures | -- | -- | -- | -- |
| Transfers to Other Funds | -- | -- | -- | -- |
| Total Other Financing Sources/(Uses) | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Net Change in Fund Balance | <u>244,441</u> | <u>132,807</u> | <u>(56,635)</u> | <u>4,294</u> |
| Fund Balances at Beginning of Year | <u>(368)</u> | <u>242,982</u> | <u>130,181</u> | <u>96,431</u> |
| Fund Balances at End of Year | <u>\$ 244,073</u> | <u>\$ 375,789</u> | <u>\$ 73,546</u> | <u>\$ 100,725</u> |

| <u>911 Service Fund</u> | <u>Vehicle Forfeiture Fund</u> | <u>Drug Enforcement Fund</u> | <u>Federal Grant Fund</u> | <u>Library Operations Fund</u> | <u>Community Development Block Grant Fund</u> | <u>Total</u> |
|---------------------------------|--|--------------------------------------|-----------------------------------|--|---|-------------------|
| \$ -- | \$ -- | \$ -- | \$ -- | \$ 666,868 | \$ -- | \$ 2,313,632 |
| -- | -- | -- | 192,916 | -- | 177,799 | 370,715 |
| 114,187 | -- | -- | -- | 21,182 | -- | 135,369 |
| -- | -- | -- | -- | -- | -- | 46,792 |
| -- | 712 | 2,560 | -- | 21,017 | -- | 67,390 |
| -- | 22,225 | 16,311 | -- | 139,097 | 44,713 | 257,043 |
| <u>114,187</u> | <u>22,937</u> | <u>18,871</u> | <u>192,916</u> | <u>848,164</u> | <u>222,512</u> | <u>3,190,941</u> |
| -- | 11,976 | 12,345 | -- | -- | -- | 24,321 |
| -- | -- | -- | -- | -- | -- | 907,977 |
| -- | -- | -- | -- | -- | 156,836 | 156,836 |
| -- | -- | -- | -- | 828,705 | -- | 828,705 |
| -- | -- | -- | -- | 15,112 | -- | 553,582 |
| <u>--</u> | <u>11,976</u> | <u>12,345</u> | <u>--</u> | <u>843,817</u> | <u>156,836</u> | <u>2,471,421</u> |
| <u>114,187</u> | <u>10,961</u> | <u>6,526</u> | <u>192,916</u> | <u>4,347</u> | <u>65,676</u> | <u>719,520</u> |
| -- | -- | -- | (63,395) | -- | -- | (63,395) |
| <u>(114,187)</u> | <u>--</u> | <u>--</u> | <u>(255,480)</u> | <u>--</u> | <u>(48,291)</u> | <u>(417,958)</u> |
| <u>(114,187)</u> | <u>--</u> | <u>--</u> | <u>(318,875)</u> | <u>--</u> | <u>(48,291)</u> | <u>(481,353)</u> |
| -- | 10,961 | 6,526 | (125,959) | 4,347 | 17,385 | 238,167 |
| -- | 13,408 | 65,978 | (13,333) | 148,317 | (18,577) | 665,019 |
| <u>\$ --</u> | <u>\$ 24,369</u> | <u>\$ 72,504</u> | <u>\$ (139,292)</u> | <u>\$ 152,664</u> | <u>\$ (1,192)</u> | <u>\$ 903,186</u> |

CITY OF WAYNE, MICHIGAN
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 GENERAL DEBT SERVICE FUNDS
JUNE 30, 2008

| | 1996 Senior/ Aquatic <u>Centers</u> | 1997 Aquatic Center Refunding <u>Bonds</u> |
|--------------------------------------|--|--|
| <u>ASSETS</u> | | |
| Cash and Cash Equivalents | \$ -- | \$ 428 |
| <u>LIABILITIES AND FUND BALANCES</u> | | |
| Fund Balances: | | |
| Reserve for Debt Service | \$ -- | \$ 428 |

| 1998 Community Center <u>Renovation</u> | 2001 DPW/ Interim <u>Fire Station</u> | 2002 Fire <u>Station</u> | 2003 Police <u>Facility</u> | <u>Total</u> |
|--|--|--------------------------------|-----------------------------------|--------------|
| \$ -- | \$ -- | \$ -- | \$ 34,826 | \$ 35,254 |
| \$ -- | \$ -- | \$ -- | \$ 34,826 | \$ 35,254 |

CITY OF WAYNE, MICHIGAN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 GENERAL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

| | 1996 Senior/ Aquatic Centers | 1997 Aquatic Center Refunding Bonds |
|---|---------------------------------------|---|
| Revenues: | | |
| Taxes | \$ -- | \$ 428 |
| Expenditures: | | |
| Debt Service | | |
| Principal | 150,000 | 210,000 |
| Interest and Fees | 33,238 | 198,710 |
| Total Expenditures | <u>183,238</u> | <u>408,710</u> |
| Deficiency of Revenues Under Expenditures | <u>(183,238)</u> | <u>(408,282)</u> |
| Other Financing Sources: | | |
| Transfers from Other Funds: | | |
| Building Authority Fund | <u>183,238</u> | <u>408,710</u> |
| Net Change in Fund Balance | <u> --</u> | <u> 428</u> |
| Fund Balance at Beginning of Year | <u> --</u> | <u> --</u> |
| Fund Balance at End of Year | <u><u>\$ --</u></u> | <u><u>\$ 428</u></u> |

| 1998 Community Center <u>Renovation</u> | 2001 DPW/ Interim <u>Fire Station</u> | 2002 Fire <u>Station</u> | 2003 Police <u>Facility</u> | <u>Total</u> |
|--|--|--------------------------------|-----------------------------------|----------------------|
| \$ -- | \$ -- | \$ -- | \$ -- | \$ 428 |
| 75,000 | 50,000 | 150,000 | 150,000 | 785,000 |
| 63,100 | 65,663 | 269,475 | 282,638 | 912,824 |
| <u>138,100</u> | <u>115,663</u> | <u>419,475</u> | <u>432,638</u> | <u>1,697,824</u> |
| <u>(138,100)</u> | <u>(115,663)</u> | <u>(419,475)</u> | <u>(432,638)</u> | <u>(1,697,396)</u> |
| <u>138,100</u> | <u>115,663</u> | <u>419,475</u> | <u>432,638</u> | <u>1,697,824</u> |
| <u> --</u> | <u> --</u> | <u> --</u> | <u> --</u> | <u> 428</u> |
| <u> --</u> | <u> --</u> | <u> --</u> | <u> 34,826</u> | <u> 34,826</u> |
| <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ 34,826</u> | <u>\$ 35,254</u> |

CITY OF WAYNE, MICHIGAN
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECTS FUNDS
JUNE 30, 2008

| | General Projects <u>Fund</u> | Building Authority <u>Fund</u> | <u>Total</u> |
|--------------------------------------|------------------------------------|--------------------------------------|-------------------|
| <u>ASSETS</u> | | | |
| Cash and Cash Equivalents | \$ 503,070 | \$ -- | \$ 503,070 |
| Receivables: | | | |
| Accounts | 860 | -- | 860 |
| Intergovernmental | 190,000 | -- | 190,000 |
| Land Contract | 17,939 | -- | 17,939 |
| Due from Other Funds | 75,000 | -- | 75,000 |
| Prepaid Items | <u>750</u> | <u>--</u> | <u>750</u> |
| Total Assets | <u>\$ 787,619</u> | <u>\$ --</u> | <u>\$ 787,619</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| Liabilities: | | | |
| Accounts Payable | \$ 192,002 | \$ -- | \$ 192,002 |
| Interfund Payable | 69,178 | | 69,178 |
| Customer Deposits | 700 | -- | 700 |
| Deferred Revenue | <u>165,183</u> | <u>--</u> | <u>165,183</u> |
| Total Liabilities | <u>427,063</u> | <u>--</u> | <u>427,063</u> |
| Fund Balances: | | | |
| Reserve for Note Payable | 169,844 | -- | 169,844 |
| Unreserved, Undesignated | <u>190,712</u> | <u>--</u> | <u>190,712</u> |
| Total Fund Balances | <u>360,556</u> | <u>--</u> | <u>360,556</u> |
| Total Liabilities and Fund Balances | <u>\$ 787,619</u> | <u>\$ --</u> | <u>\$ 787,619</u> |

CITY OF WAYNE, MICHIGAN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2008

| | General Projects Fund | Building Authority Fund | Total |
|---|-----------------------------|-------------------------------|-------------------|
| Revenues: | | | |
| Interest | \$ 19,243 | \$ -- | \$ 19,243 |
| Contributions | 230,767 | -- | 230,767 |
| Other | -- | 367,529 | 367,529 |
| Total Revenues | <u>250,010</u> | <u>367,529</u> | <u>617,539</u> |
| Expenditures: | | | |
| General Government | 88,485 | -- | 88,485 |
| Capital Outlay | 488,711 | -- | 488,711 |
| Total Expenditures | <u>577,196</u> | <u>--</u> | <u>577,196</u> |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | <u>(327,186)</u> | <u>367,529</u> | <u>40,343</u> |
| Other Financing Sources/(Uses): | | | |
| Transfers from Other Funds: | | | |
| General Fund | 100,178 | 1,330,295 | 1,430,473 |
| Community Development Block Grant | 468 | -- | 468 |
| Federal Grant Fund | 75,000 | -- | 75,000 |
| Transfers to Other Funds: | | | |
| General Debt Service Fund | -- | (1,697,824) | (1,697,824) |
| Sale of Capital Assets | 2,756 | -- | 2,756 |
| Total Other Financing Sources/(Uses) | <u>178,402</u> | <u>(367,529)</u> | <u>(189,127)</u> |
| Net Change in Fund Balance | <u>(148,784)</u> | <u>--</u> | <u>(148,784)</u> |
| Fund Balance at Beginning of Year | <u>509,340</u> | <u>--</u> | <u>509,340</u> |
| Fund Balance at End of Year | <u>\$ 360,556</u> | <u>\$ --</u> | <u>\$ 360,556</u> |

CITY OF WAYNE, MICHIGAN
SPECIAL REVENUE FUND
ROAD PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|-----------------------------------|-------------------|-------------------|---|
| Revenues: | | | |
| Taxes | \$ 670,772 | \$ 664,781 | \$ (5,991) |
| Interest and Rents | 12,841 | 12,077 | (764) |
| Total Revenues | <u>683,613</u> | <u>676,858</u> | <u>(6,755)</u> |
| Expenditures: | | | |
| Current: | | | |
| Professional Services | 30,000 | -- | 30,000 |
| Communications | 600 | 628 | (28) |
| Miscellaneous | -- | 667 | (667) |
| Capital Outlay | <u>323,950</u> | <u>431,122</u> | <u>(107,172)</u> |
| Total Expenditures | <u>354,550</u> | <u>432,417</u> | <u>(77,867)</u> |
| Net Change in Fund Balance | 329,063 | 244,441 | (84,622) |
| Fund Balance at Beginning of Year | <u>(368)</u> | <u>(368)</u> | <u>--</u> |
| Fund Balance at End of Year | <u>\$ 328,695</u> | <u>\$ 244,073</u> | <u>\$ (84,622)</u> |

CITY OF WAYNE, MICHIGAN
SPECIAL REVENUE FUND
REFUSE COLLECTION AND DISPOSAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|-----------------------------------|-------------------|-------------------|--|
| Revenues: | | | |
| Taxes | \$ 982,839 | \$ 981,983 | \$ (856) |
| Interest | 26,500 | 27,103 | 603 |
| Other | 13,668 | 13,668 | -- |
| Total Revenues | <u>1,023,007</u> | <u>1,022,754</u> | <u>(253)</u> |
| Expenditures: | | | |
| Salaries & Wages | 82,324 | 82,036 | 288 |
| Sanitation - Rubbish | 735,730 | 735,730 | -- |
| Materials & Supplies | 1,500 | 1,142 | 358 |
| Transportation | 45,000 | 48,842 | (3,842) |
| Insurance & Bonds | 6,600 | 6,600 | -- |
| Miscellaneous | 13,000 | 15,597 | (2,597) |
| Total Expenditures | <u>884,154</u> | <u>889,947</u> | <u>(5,793)</u> |
| Net Change in Fund Balance | <u>138,853</u> | <u>132,807</u> | <u>(6,046)</u> |
| Fund Balance at Beginning of Year | <u>242,982</u> | <u>242,982</u> | <u>--</u> |
| Fund Balance at End of Year | <u>\$ 381,835</u> | <u>\$ 375,789</u> | <u>\$ (6,046)</u> |

CITY OF WAYNE, MICHIGAN
SPECIAL REVENUE FUND
METRO ACT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|-----------------------------------|------------------|------------------|--|
| Revenues: | | | |
| Charges for Services | \$ 46,795 | \$ 46,792 | \$ (3) |
| Interest | 3,700 | 3,921 | 221 |
| Total Revenues | <u>50,495</u> | <u>50,713</u> | <u>218</u> |
| Expenditures: | | | |
| Capital Outlay | <u>107,350</u> | <u>107,348</u> | <u>2</u> |
| Net Change in Fund Balance | <u>(56,855)</u> | <u>(56,635)</u> | <u>220</u> |
| Fund Balance at Beginning of Year | <u>130,181</u> | <u>130,181</u> | <u>--</u> |
| Fund Balance at End of Year | <u>\$ 73,326</u> | <u>\$ 73,546</u> | <u>\$ 220</u> |

CITY OF WAYNE, MICHIGAN
SPECIAL REVENUE FUND
SPECIAL ASSESSMENT FUND - PUBLIC IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|-----------------------------------|-------------------|-------------------|--|
| Revenues: | | | |
| Other | <u>\$ 19,205</u> | <u>\$ 21,029</u> | <u>\$ 1,824</u> |
| Expenditures: | | | |
| Current | | | |
| Snow Removal | 2,265 | 2,263 | 2 |
| Weed Control | 3,950 | 4,924 | (974) |
| Other Functions | <u>8,000</u> | <u>9,548</u> | <u>(1,548)</u> |
| Total Expenditures | <u>14,215</u> | <u>16,735</u> | <u>(2,520)</u> |
| Net Change in Fund Balance | <u>4,990</u> | <u>4,294</u> | <u>(696)</u> |
| Fund Balance at Beginning of Year | <u>96,307</u> | <u>96,431</u> | <u>124</u> |
| Fund Balance at End of Year | <u>\$ 101,297</u> | <u>\$ 100,725</u> | <u>\$ (572)</u> |

CITY OF WAYNE, MICHIGAN
SPECIAL REVENUE FUND
911 SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|-----------------------------------|---------------------|---------------------|---|
| Revenues: | | | |
| Intergovernmental: | | | |
| Other | <u>\$ 124,000</u> | <u>\$ 114,187</u> | <u>\$ (9,813)</u> |
| Other Financing Uses: | | | |
| Transfer to | | | |
| General Fund | <u>(124,000)</u> | <u>(114,187)</u> | <u>9,813</u> |
| Net Change in Fund Balance | <u>--</u> | <u>--</u> | <u>--</u> |
| Fund Balance at Beginning of Year | <u>--</u> | <u>--</u> | <u>--</u> |
| Fund Balance at End of Year | <u><u>\$ --</u></u> | <u><u>\$ --</u></u> | <u><u>\$ --</u></u> |

CITY OF WAYNE, MICHIGAN
SPECIAL REVENUE FUND
VEHICLE FORFEITURE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|-----------------------------------|------------------|------------------|--|
| Revenues: | | | |
| Interest | \$ 100 | \$ 712 | \$ 612 |
| Other | 21,600 | 22,225 | 625 |
| Total Revenues | <u>21,700</u> | <u>22,937</u> | <u>1,237</u> |
| Expenditures: | | | |
| Materials & Supplies | 5,050 | 2,425 | 2,625 |
| Transportation | 200 | 640 | (440) |
| Repairs and Maintenance | -- | 3,500 | (3,500) |
| Miscellaneous Expense | 3,375 | 5,411 | (2,036) |
| Total Expenditures | <u>8,625</u> | <u>11,976</u> | <u>(3,351)</u> |
| Net Change in Fund Balance | <u>13,075</u> | <u>10,961</u> | <u>(2,114)</u> |
| Fund Balance at Beginning of Year | <u>13,408</u> | <u>13,408</u> | <u>--</u> |
| Fund Balance at End of Year | <u>\$ 26,483</u> | <u>\$ 24,369</u> | <u>\$ (2,114)</u> |

CITY OF WAYNE, MICHIGAN
SPECIAL REVENUE FUND
DRUG LAW ENFORCEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|-----------------------------------|------------------|------------------|--|
| Revenues: | | | |
| Interest | \$ 2,350 | \$ 2,560 | \$ 210 |
| Other | 17,650 | 16,311 | (1,339) |
| Total Revenues | <u>20,000</u> | <u>18,871</u> | <u>(1,129)</u> |
| Expenditures: | | | |
| Materials & Supplies | 300 | 264 | 36 |
| Transportation | 2,272 | 3,030 | (758) |
| Miscellaneous Expense | 1,167 | 9,051 | (7,884) |
| Membership & Dues | 50 | -- | 50 |
| Capital Outlay | 7,673 | -- | 7,673 |
| Total Expenditures | <u>11,462</u> | <u>12,345</u> | <u>(883)</u> |
| Net Change in Fund Balance | <u>8,538</u> | <u>6,526</u> | <u>(2,012)</u> |
| Fund Balance at Beginning of Year | <u>65,978</u> | <u>65,978</u> | <u>--</u> |
| Fund Balance at End of Year | <u>\$ 74,516</u> | <u>\$ 72,504</u> | <u>\$ (2,012)</u> |

CITY OF WAYNE, MICHIGAN
SPECIAL REVENUE FUND
FEDERAL GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|-----------------------------------|---------------------------|----------------------------|--|
| Revenues: | | | |
| Intergovernmental Revenue: | | | |
| Federal Grant | <u>\$ 293,351</u> | <u>\$ 192,916</u> | <u>\$ (100,435)</u> |
| Other Financing Uses: | | | |
| Intergovernmental Expenditures | -- | (63,395) | (63,395) |
| Transfer to: | | | |
| General Fund | (293,351) | (180,480) | 112,871 |
| Capital Projects Fund | -- | (75,000) | (75,000) |
| Total Other Financing Uses | <u>(293,351)</u> | <u>(318,875)</u> | <u>(25,524)</u> |
| Net Change in Fund Balance | <u>--</u> | <u>(125,959)</u> | <u>(125,959)</u> |
| Fund Balance at Beginning of Year | <u>(13,333)</u> | <u>(13,333)</u> | <u>--</u> |
| Fund Balance at End of Year | <u><u>\$ (13,333)</u></u> | <u><u>\$ (139,292)</u></u> | <u><u>\$ (125,959)</u></u> |

CITY OF WAYNE, MICHIGAN
SPECIAL REVENUE FUND
LIBRARY OPERATIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|-----------------------------------|------------------|-------------------|--|
| Revenues: | | | |
| Taxes | \$ 654,813 | \$ 666,868 | \$ 12,055 |
| Intergovernmental Revenues: | | | |
| State Grant | 12,995 | 21,182 | 8,187 |
| Interest and Rents | 17,215 | 21,017 | 3,802 |
| Other | 151,449 | 139,097 | (12,352) |
| Total Revenues | <u>836,472</u> | <u>848,164</u> | <u>11,692</u> |
| Expenditures: | | | |
| Current: | | | |
| Library | 848,795 | 828,705 | 20,090 |
| Capital Outlay | 55,130 | 15,112 | 40,018 |
| Total Expenditures | <u>903,925</u> | <u>843,817</u> | <u>60,108</u> |
| Net Change in Fund Balance | <u>(67,453)</u> | <u>4,347</u> | <u>71,800</u> |
| Fund Balance at Beginning of Year | <u>148,317</u> | <u>148,317</u> | <u>--</u> |
| Fund Balance at End of Year | <u>\$ 80,864</u> | <u>\$ 152,664</u> | <u>\$ 71,800</u> |

CITY OF WAYNE, MICHIGAN
SPECIAL REVENUE FUND
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | June 30, 2008 <u>Actual</u> | Cumulative to 6/30/2008 |
|--|-----------------|-----------------------------------|----------------------------|
| <u>1991 Program Income</u> | | | |
| Revenues: | | | |
| Other | \$ 68,227 | \$ 44,713 | \$ 44,713 |
| Expenditures: | | | |
| Housing Rehabilitation #91-31-PI-19 | 68,227 | 44,713 | 44,713 |
| Excess of Revenue Over Expenditures | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> |
| <u>2006 Grant Year</u> | | | |
| Revenues: | | | |
| Federal | \$ 172,000 | \$ 120,344 | \$ 172,000 |
| Expenditures: | | | |
| Housing Rehabilitation #06-31-14A 01 | 50,000 | 50,000 | 50,000 |
| Community Housing Rehabilitation #06-31-14A 02 | 53,300 | 43,777 | 53,300 |
| Total Expenditures | <u>103,300</u> | <u>93,777</u> | <u>103,300</u> |
| Excess of Revenues Over Expenditures | <u>68,700</u> | <u>26,567</u> | <u>68,700</u> |
| Other Financing Uses: | | | |
| Transfer to General Fund: | | | |
| Senior Services #06-31-05A | (16,500) | (1,582) | (16,500) |
| Code Enforcement #06-31-15 | (20,000) | (5,940) | (20,000) |
| Administration #06-31-21A | (12,200) | -- | (12,200) |
| Transfer to Capital Projects Fund: | | | |
| Recreation - Rotary II Park Improvements #06-31-03F | (20,000) | (468) | (20,000) |
| Total Other Financing Uses | <u>(68,700)</u> | <u>(7,990)</u> | <u>(68,700)</u> |
| Net Change in Fund Balance | <u>\$ --</u> | <u>\$ 18,577</u> | <u>\$ --</u> |

CITY OF WAYNE, MICHIGAN
SPECIAL REVENUE FUND
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

| <u>2007 Grant Year</u> | <u>Budget</u> | <u>June 30, 2008 Actual</u> | <u>Cumulative to 6/30/2008</u> |
|--------------------------------------|-------------------|-------------------------------------|------------------------------------|
| Revenues: | | | |
| Federal | <u>\$ 162,000</u> | <u>\$ 57,455</u> | <u>\$ 57,454</u> |
| Expenditures: | | | |
| Housing Rehabilitation | | | |
| #07-31-14A 01 | 38,000 | 18,346 | 18,346 |
| Community Housing Rehabilitation | | | |
| #07-31-14A 02 | 61,300 | -- | -- |
| Total Expenditures | <u>99,300</u> | <u>18,346</u> | <u>18,346</u> |
| Excess of Revenues Over Expenditures | <u>62,700</u> | <u>39,109</u> | <u>39,108</u> |
| Other Financing Uses: | | | |
| Transfer to General Fund: | | | |
| Senior Services | | | |
| #07-31-05A | (16,500) | (14,491) | (14,490) |
| Code Enforcement | | | |
| #07-31-15 | (18,000) | (17,610) | (17,610) |
| Administration | | | |
| #07-31-21A | (8,200) | (8,200) | (8,200) |
| Transfer to Capital Projects Fund: | | | |
| Park Improvements | | | |
| #07-31-03F | (20,000) | -- | -- |
| Total Other Financing Uses | <u>(62,700)</u> | <u>(40,301)</u> | <u>(40,300)</u> |
| Net Change in Fund Balance | <u>\$ --</u> | <u>\$ (1,192)</u> | <u>\$ (1,192)</u> |

CITY OF WAYNE, MICHIGAN
 COMBINING SCHEDULE OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
JUNE 30, 2008

| | Miscellaneous Agency Fund | Current Tax Collection Fund | Delinquent Personal Property Tax Collection Fund |
|-------------------------------|---------------------------------|--------------------------------------|---|
| <u>ASSETS</u> | | | |
| Cash and Cash Equivalents | \$ 60,888 | \$ -- | \$ 32,532 |
| Taxes Receivable - Delinquent | -- | -- | 1,235,510 |
| Prepaid Items | -- | -- | -- |
| | <hr/> | <hr/> | <hr/> |
| Total Assets | <u>\$ 60,888</u> | <u>\$ --</u> | <u>\$ 1,268,042</u> |

| | | | |
|--------------------------|------------------|--------------|---------------------|
| <u>LIABILITIES</u> | | | |
| Accounts Payable | \$ -- | \$ -- | \$ 574 |
| Due to Other Governments | -- | -- | 1,243,072 |
| Refunds Due to Taxpayers | -- | -- | 24,396 |
| Held for Others | 60,888 | -- | -- |
| | <hr/> | <hr/> | <hr/> |
| Total Liabilities | <u>\$ 60,888</u> | <u>\$ --</u> | <u>\$ 1,268,042</u> |

| <u>Payroll</u> <u>Fund</u> | <u>Total</u> |
|-------------------------------|------------------|
| \$ 186,345 | \$ 279,765 |
| -- | 1,235,510 |
| 10 | 10 |
| <u>186,355</u> | <u>1,515,285</u> |

| | |
|----------------|---------------------|
| \$ -- | \$ 574 |
| -- | 1,243,072 |
| -- | 24,396 |
| <u>186,355</u> | <u>247,243</u> |
| <u>186,355</u> | <u>\$ 1,515,285</u> |

CITY OF WAYNE, MICHIGAN
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

| | Balance July 1, 2007 | Additions | Deductions | Balance June 30, 2008 |
|---------------------------------------|----------------------------|---------------|---------------|-----------------------------|
| <u>Miscellaneous Agency Fund</u> | | | | |
| <u>ASSETS</u> | | | | |
| Cash and Cash Equivalents | \$ 60,480 | \$ 15,873 | \$ 15,465 | \$ 60,888 |
| <u>LIABILITIES</u> | | | | |
| Accounts Payable | \$ -- | \$ 3,658 | \$ 3,658 | \$ -- |
| Held for Others | 60,480 | 19,057 | 18,649 | 60,888 |
| Total Liabilities | \$ 60,480 | \$ 22,715 | \$ 22,307 | \$ 60,888 |
| <u>Current Tax Collection Fund</u> | | | | |
| <u>ASSETS</u> | | | | |
| Cash and Cash Equivalents | \$ 226,273 | \$ 36,722,255 | \$ 36,948,528 | \$ -- |
| Due from Other Governments | 90,336 | -- | 90,336 | -- |
| Total Assets | \$ 316,609 | \$ 36,722,255 | \$ 37,038,864 | \$ -- |
| <u>LIABILITIES</u> | | | | |
| Accounts Payable | \$ 524 | \$ -- | \$ 524 | \$ -- |
| Due to Other Funds | -- | 10,138,931 | 10,138,931 | -- |
| Due to Other Governments | 316,085 | 26,583,324 | 26,899,409 | -- |
| | \$ 316,609 | \$ 36,722,255 | \$ 37,038,864 | \$ -- |
| <u>Delinquent Tax Collection Fund</u> | | | | |
| <u>ASSETS</u> | | | | |
| Cash and Cash Equivalents | \$ 88,476 | \$ 147,194 | \$ 203,138 | \$ 32,532 |
| Taxes Receivable - Delinquent | 1,265,716 | 119,034 | 149,240 | 1,235,510 |
| Due from Other Governments | 14 | -- | 14 | -- |
| Total Assets | \$ 1,354,206 | \$ 266,228 | \$ 352,392 | \$ 1,268,042 |
| <u>LIABILITIES</u> | | | | |
| Accounts Payable | \$ 54,473 | \$ 574 | \$ 54,473 | \$ 574 |
| Due to Other Governments | 1,269,103 | 79,830 | 105,861 | 1,243,072 |
| Refunds Due to Taxpayers | 30,630 | 185,824 | 192,058 | 24,396 |
| Total Liabilities | \$ 1,354,206 | \$ 266,228 | \$ 352,392 | \$ 1,268,042 |

CITY OF WAYNE, MICHIGAN
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

| | Balance July 1, <u>2007</u> | <u>Additions</u> | <u>Deductions</u> | Balance June 30, <u>2008</u> |
|---------------------------------|-----------------------------------|----------------------|----------------------|------------------------------------|
| <u>Payroll Fund</u> | | | | |
| <u>ASSETS</u> | | | | |
| Cash and Cash Equivalents | \$ -- | \$ 7,277,959 | \$ 7,091,614 | \$ 186,345 |
| Prepaid Items | -- | 10 | -- | 10 |
| Total Assets | <u>\$ --</u> | <u>\$ 7,277,969</u> | <u>\$ 7,091,614</u> | <u>\$ 186,355</u> |
| <u>LIABILITIES</u> | | | | |
| Accounts Payable | \$ -- | \$ 1,044 | \$ 1,044 | \$ -- |
| Held for Others | -- | 7,276,925 | 7,090,570 | 186,355 |
| Total Liabilities | <u>\$ --</u> | <u>\$ 7,277,969</u> | <u>\$ 7,091,614</u> | <u>\$ 186,355</u> |
| <u>Total - All Agency Funds</u> | | | | |
| <u>ASSETS</u> | | | | |
| Cash and Cash Equivalents | \$ 375,229 | \$ 44,163,281 | \$ 44,258,745 | \$ 279,765 |
| Taxes Receivable - Delinquent | 1,265,716 | 119,034 | 149,240 | 1,235,510 |
| Due from Other Governments | 90,350 | -- | 90,350 | -- |
| Prepaid Items | -- | 10 | -- | 10 |
| Total Assets | <u>\$ 1,731,295</u> | <u>\$ 44,282,325</u> | <u>\$ 44,498,335</u> | <u>\$ 1,515,285</u> |
| <u>LIABILITIES</u> | | | | |
| Accounts Payable | \$ 54,997 | \$ 5,276 | \$ 59,699 | \$ 574 |
| Due to Other Funds | -- | 10,138,931 | 10,138,931 | -- |
| Due to Other Governments | 1,585,188 | 26,663,154 | 27,005,270 | 1,243,072 |
| Refunds Due to Taxpayers | 30,630 | 185,824 | 192,058 | 24,396 |
| Held for Others | 60,480 | 7,295,982 | 7,109,219 | 247,243 |
| Total Liabilities | <u>\$ 1,731,295</u> | <u>\$ 44,289,167</u> | <u>\$ 44,505,177</u> | <u>\$ 1,515,285</u> |

POST, SMYTHE, LUTZ & ZIEL OF WAYNE, LLP

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

October 28, 2008

To the City Council
3355 S. Wayne Road
Wayne, Michigan 48184

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Wayne, Michigan, as of and for the year ended June 30, 2008, which collectively comprise the City of Wayne, Michigan's basic financial statements and have issued our report thereon dated October 28, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Wayne, Michigan's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Wayne, Michigan's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Wayne, Michigan's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Wayne, Michigan's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Wayne, Michigan's financial statements that is more than inconsequential will not be prevented or detected by the City of Wayne, Michigan's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 08-01 and 08-02 to be significant deficiencies in internal control over financial reporting.

To the City Council
October 28, 2008
Page 2

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Wayne, Michigan's internal control. Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

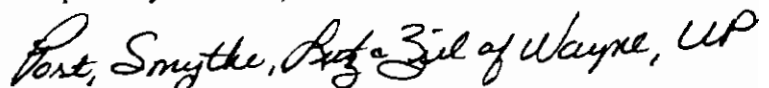
As part of obtaining reasonable assurance about whether City of Wayne, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of City of Wayne, Michigan, in a separate letter dated November 5, 2008.

City of Wayne, Michigan's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit City of Wayne, Michigan's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



POST, SMYTHE, LUTZ & ZIEL OF WAYNE, LLP
Certified Public Accountants

CITY OF WAYNE, MICHIGAN
POOLED INVESTMENT FUND
SCHEDULE OF INVESTMENTS
JUNE 30, 2008

| <u>Dated</u> | <u>Bank</u> | <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Amount</u> |
|-----------------------------|---|--------------------------|--------------------------|-----------------------------|
| Bank Accounts: | | | | |
| | Chase Bank - Checking | | | \$ 7,077,095 |
| | Chase Bank - Debt Checking | | | 35,255 |
| | Chase Bank - Money Market | | | 6,374,424 |
| | Comerica Bank - Governmental Trust Account | | | 24,881 |
| | Comerica Bank - Money Market | | | 1,757,840 |
| | Fifth Third Bank - Public Funds Savings | | | 1,950,847 |
| | Flagstar Bank - Savings | | | 586,466 |
| | MBIA - Municipal Investors Service Corp. - Investment | | | 303,286 |
| | MBIA - Municipal Investors Service Corp. - Museum | | | 15,915 |
| | LaSalle Bank Midwest - Money Market | | | 1,754,820 |
| | The Private Bank | 07/28/08 | 3.00% | 1,030,377 |
| Accrued Interest Receivable | | | | <u>343</u> |
| Total Pooled Investments | | | | <u><u>\$ 20,911,549</u></u> |

CITY OF WAYNE, MICHIGAN
PENSION TRUST FUND
SCHEDULE OF INVESTMENTS
JUNE 30, 2008
(PAGE 1 OF 5)

| Cash Equivalents | | Maturity Date | Interest Rate | Fair Value |
|---------------------|----------------------------------|------------------|------------------|---------------------|
| | Bank of America Cash | | | \$ 1,198 |
| | Fifth Third Money Market | | | 1,252,588 |
| | Fifth Third Cash | | | (230,244) |
| | Total Cash Equivalents | | | <u>\$ 1,023,542</u> |
| Investments | | | | |
| Number of Shares | Common Stock | | | |
| 363 | FMC Corp | | | \$ 28,111 |
| 256 | Minerals Technologies Inc. | | | 16,279 |
| 2,740 | Monsanto Co New | | | 346,446 |
| 10,620 | Alumina Ltd | | | 192,434 |
| 13,220 | Anglogold Ashanti Ltd | | | 448,687 |
| 9,794 | Barrick Gold Corp | | | 445,627 |
| 23,050 | Gold Fields Ltd New | | | 291,582 |
| 11,870 | Ivanhoe Mines Ltd | | | 129,502 |
| 1,860 | Lihir Gold Ltd | | | 58,981 |
| 3,280 | Lonmin Pub Ltd Co | | | 208,300 |
| 2,580 | Newcrest Mining Ltd-Spon Adr | | | 72,544 |
| 7,760 | Newmont Mng Corp | | | 404,762 |
| 2,400 | Freeport - McMoran Copper & Gold | | | 281,256 |
| 6,450 | Novagold Resources Inc | | | 48,052 |
| 24,150 | Stora Enso Corp | | | 226,768 |
| 6,360 | UPM Kymmene Corp | | | 104,215 |
| 6,555 | Force Protection Inc | | | 21,697 |
| 23,390 | Sekisui House Ltd | | | 218,673 |
| 4,407 | Casella Waste System Inc | | | 53,721 |
| 3,859 | Leag Corp | | | 33,728 |
| 2,350 | McDermott Intl Inc | | | 145,442 |
| 490 | Stanley Inc | | | 16,425 |
| 2,495 | Universal Technical Inst Inc | | | 31,088 |
| 1,411 | Ituran Location and Control | | | 16,932 |
| 7,470 | Centrais Eletricas Brasileiras | | | 122,911 |
| 472 | Houston Wire & Cable | | | 9,393 |
| 2,590 | Roper Inds Inc New | | | 170,629 |
| 1,018 | Pacer Intl Inc Tenn | | | 21,897 |
| 424 | Clarcor Inc | | | 14,882 |
| 2,036 | Danaher Corp | | | 157,383 |
| 2,800 | Dover Corp | | | 135,436 |
| 812 | Intermec Inc | | | 17,117 |
| 850 | SPX Corp | | | 111,970 |
| 2,324 | Greatbatch Inc | | | 40,205 |
| 1,010 | Tomkins PLC | | | 121,121 |
| 2,320 | Magna Intl Inc | | | 137,437 |
| 2,976 | International Game Technology | | | 74,340 |
| 42,390 | Sega Sammy Holding-Spons Adr | | | 92,580 |
| 9,511 | Shuffle Master Inc | | | 46,984 |
| 578 | Washington Post Co | | | 339,228 |
| 3,220 | Advance Auto Pts Inc | | | 125,033 |
| 5,524 | Cost Plus Inc Calif | | | 13,810 |
| 7,840 | Fujifilm Hldgs Corp | | | 268,677 |

CITY OF WAYNE, MICHIGAN
PENSION TRUST FUND
SCHEDULE OF INVESTMENTS
JUNE 30, 2008
(PAGE 2 OF 5)

| Number of <u>Shares</u> | <u>Common Stock</u> | <u>Fair Value</u> |
|----------------------------|-------------------------------|-----------------------|
| 2,428 | Gamestop Corp New | 98,091 |
| 8,650 | Matsushita Elec Indl Ltd | 185,283 |
| 3,000 | Nike Inc | 178,830 |
| 4,272 | California Pizza Kitchen Inc | 47,804 |
| 3,350 | McDonalds Corp | 188,337 |
| 4,480 | Coca Cola Co | 232,870 |
| 18,250 | Kirin Holdings Company Ltd | 285,448 |
| 10,021 | Sunopta Inc | 52,009 |
| 1,279 | Computer Programs & Sys Inc | 22,165 |
| 830 | Pharmaceutical Prod Dev Inc | 35,607 |
| 3,030 | Genentech Inc | 229,977 |
| 5,490 | Gilead Sciences Inc | 290,696 |
| 1,050 | United Therapeutics Corp Del | 102,638 |
| 2,950 | Procter & Gamble Co | 179,390 |
| 6,000 | Abbott Labs | 317,820 |
| 17,079 | Angiotech Pharmaceuticals Inc | 50,895 |
| 3,840 | Astrazeneca Plc | 163,315 |
| 3,150 | Johnson & Johnson | 202,671 |
| 953 | Par Pharmaceutical Cos Inc | 15,467 |
| 4,800 | Penwest Pharmaceuticals Co | 12,960 |
| 7,000 | Sanofi - Aventis - Adr | 232,610 |
| 4,550 | Teva Pharmaceutical Inds Ltd | 208,390 |
| 5,100 | CVS/Caremark Corporation | 201,807 |
| 3,450 | Kellogg Co | 165,669 |
| 381 | Bill Barrett Corp | 22,635 |
| 4,620 | BP P.L.C. Sponsored Adr | 321,413 |
| 1,950 | Hess Corp | 246,071 |
| 10,410 | Imperial Oil Ltd | 573,279 |
| 1,098 | Mariner Energy Inc | 40,593 |
| 3,650 | Nexen Inc | 145,088 |
| 2,350 | Occidental Pete Corp | 211,171 |
| 6,200 | Patterson-UTI Energy Inc | 224,006 |
| 4,000 | Penn West Energy Trust | 135,360 |
| 3,070 | Petro-Canada | 171,153 |
| 4,170 | Royal Dutch Shell Plc | 334,059 |
| 1,860 | Suncor Inc | 108,103 |
| 3,000 | XTO Energy Inc | 205,530 |
| 2,974 | Cnooc Ltd | 516,108 |
| 317 | Superior Energy Svcs Inc | 17,479 |
| 590 | Technip Adr | 54,649 |
| 830 | Hachijuni Bk Ltd | 53,869 |
| 1,200 | State Street Corp | 76,788 |
| 13,110 | Sumitomo Tr & Bkg Ltd | 91,770 |
| 869 | Assured Guaranty Ltd | 15,633 |
| 1,095 | IPC Holdings Ltd | 29,072 |
| 3,890 | Aegon N V | 50,998 |
| 1,550 | Assurant Inc | 102,238 |

CITY OF WAYNE, MICHIGAN
PENSION TRUST FUND
SCHEDULE OF INVESTMENTS
JUNE 30, 2008
(PAGE 3 OF 5)

| Number of Shares | Common Stock | Fair Value |
|---------------------|---------------------------------|---------------|
| 74 | Berkshire Hathaway Inc Del | 296,888 |
| 8,640 | Mitsui Sumitomo Ins | 149,152 |
| 1,293 | Old Rep Intl Corp | 15,309 |
| 20,447 | Progressive Corp Ohio | 382,768 |
| 24,630 | Acom Co Ltd | 191,104 |
| 1,171 | Student Ln Corp | 114,852 |
| 2,834 | Actel Corp | 47,753 |
| 12,060 | Intel Corp | 259,049 |
| 1,563 | Microsemi Corp | 39,356 |
| 939 | Power Integrations Inc | 29,682 |
| 1,040 | Semtech Corp | 14,633 |
| 41,580 | Alcatel-Lucent-Sponsored Adr | 251,143 |
| 11,080 | Telefonaktiebolaget LM Ericsson | 115,232 |
| 5,200 | Qualcomm Inc | 230,724 |
| 1,200 | Research IN Motion Ltd | 140,280 |
| 4,437 | Sourceforge Inc | 7,099 |
| 757 | ViaSat Inc | 15,299 |
| 3,548 | Art Technology Group Inc | 11,354 |
| 2,670 | BMC Software Inc | 96,120 |
| 3,542 | Bottomline Technologies Del | 34,464 |
| 1,519 | Cogen Communications Group | 20,355 |
| 1,537 | Faro Technologies Inc | 38,687 |
| 4,921 | Intervoice Incorporated | 28,050 |
| 4,700 | Mcafee Inc | 159,941 |
| 15,950 | Microsoft Corp | 438,784 |
| 9,860 | Oracle Corporation | 207,060 |
| 1,896 | Quest Software Inc | 28,080 |
| 1,597 | Rightnow Technologies Inc | 21,831 |
| 695 | SPSS Inc | 25,277 |
| 13,150 | E M C Corp/Mass | 193,173 |
| 2,490 | International Business Machs | 295,140 |
| 2,486 | Coherent Inc | 74,306 |
| 2,546 | Electro Scientific Inds Inc | 36,077 |
| 894 | Flir Sys Inc | 36,269 |
| 1,781 | Methode Electrs Inc | 18,611 |
| 279 | Mettler-Toledo Intl Inc | 26,466 |
| 451 | National Instrs Corp | 12,795 |
| 599 | Scansource Inc | 16,029 |
| 363 | Varian Inc | 18,535 |
| 11,650 | Cisco Systems Inc | 270,979 |
| 933 | Digi Intl Inc | 7,324 |
| 4,089 | IXIA | 28,418 |
| 4,700 | Juniper Networks Inc | 104,246 |
| 1060 | Air Prods & Chems Inc | 104,792 |
| 3,850 | Honeywell Intl Inc | 193,578 |

CITY OF WAYNE, MICHIGAN
PENSION TRUST FUND
SCHEDULE OF INVESTMENTS
JUNE 30, 2008
(PAGE 4 OF 5)

| Number of Shares | Common Stock | Fair Value |
|---------------------|--------------------------------|---------------|
| 2,200 | Lockheed Martin Corp | 217,052 |
| 6,740 | Shiseido Ltd | 154,501 |
| 27,504 | El Paso Corp | 597,937 |
| 12,994 | Reliant Energy Inc | 276,382 |
| 5,790 | United Utils Plc | 158,212 |
| 11,717 | Alleghany Energy Inc | 587,139 |
| 25,882 | Centerpoint Energy Inc | 415,406 |
| 6,790 | Centrais Eletricas Brasilciras | 126,063 |
| 11,808 | Huaneng Pwr Intl Inc | 326,491 |
| 13,410 | Korea Elec Pwr Co | 194,847 |
| 11,277 | Lionbridge Technologies Inc | 29,095 |
| 1,960 | Daiwa House Ind Ltd | 184,526 |
| 3,667 | Big 5 Sporting Goods Corp | 27,759 |
| 2,910 | Ross Stores Inc | 103,363 |
| 5,750 | TJX Cos Inc New | 180,953 |
| 2,630 | Wacoal Corp | 157,379 |
| 2,200 | Covidien Ltd | 105,358 |
| 2,266 | American Med Sys Hldgs Inc | 33,877 |
| 4,600 | Baxter Intl Inc | 294,124 |
| 3,771 | St Jude Med Inc | 154,158 |
| 20,101 | Brookfield Asset Mgmt CL A | 654,087 |
| 4,814 | JP Morgan Chase & Co | 165,168 |
| 18,206 | Leucadia Natl Corp | 854,590 |
| 14,281 | Nasdaq Omx Group Inc | 379,161 |
| 7,850 | Promis Co Ltd-Unspon Adr | 109,971 |
| 1,081 | Rait Financial Trust | 8,021 |
| 15,920 | KT Corp | 339,414 |
| 21,480 | Nippon Teleg & Tel Corp | 521,964 |
| 8,500 | Swisscom | 284,350 |
| 4,700 | SK Telecom Co | 97,619 |
| 6,100 | Webmethods Incorporated | 146,278 |
| 6,730 | Xrite Incorporated | 139,042 |
| 4,250 | Yahoo Incorporated | 103,700 |
| 404 | Barrick Gold Corporation | 7,510 |
| 27,000 | Cabot Corporation | 483,732 |
| 15,231 | FMC Corporation | 576,189 |
| 20,860 | Ivanhoe Mines Ltd | 307,977 |
| 5,100 | Minerals Technologies Inc | 139,383 |
| 13,450 | Monsanto Co. New | 262,410 |
| 1,257 | Embarq Corp W/I | 12,570 |
| 2,344 | NII Holdings Inc, Class B | 102,128 |
| 3,960 | Alleghany Energy Inc | 78,448 |
| 11,385 | Aquila Incorporated | 576,764 |
| 1,281 | Centerpoint Energy Inc | 25,389 |
| 1,187 | El Paso Corporation | 16,226 |
| 17,700 | Reliant Energy Inc | 285,324 |
| 3,260 | Sierra Pacific Resources | 179,753 |

CITY OF WAYNE, MICHIGAN
PENSION TRUST FUND
SCHEDULE OF INVESTMENTS
JUNE 30, 2008
(PAGE 5 OF 5)

| Number of Shares | Common Stock | Fair Value |
|---------------------|----------------------------------|----------------------|
| 5,188 | Vodafone Group Plc-SP Adr | 152,839 |
| 16,754 | Western Union Co | 414,159 |
| 7 | USB Ag Rt | 6 |
| | Total Common Stock | <u>29,905,957</u> |
| Mutual Funds | | |
| 327 | Comerica Short Term Fund | 328 |
| 1,213,628 | Hartford Core Plus Fixed Income | 14,100,438 |
| 17,616 | Brandywine Diversified Small Cap | 1,524,276 |
| 268,589 | Comerica Medium Cap Index Fund | 5,319,642 |
| | Total Mutual Funds | <u>20,944,684</u> |
| | Grand Total Investments | <u>\$ 50,850,641</u> |

CITY OF WAYNE, MICHIGAN
SCHEDULE OF INDEBTEDNESS
BUILDING AUTHORITY BONDS - AQUATIC CENTER AND SENIOR CENTER
JUNE 30, 2008

| <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Interest Rate</u> | <u>Date of Maturity</u> | <u>June 30, 2007</u> | <u>June 30, 2008</u> | <u>Annual Interest Payable</u> |
|---|--------------------------------|--------------------------|---------------------------------|--------------------------|--------------------------|--|
| 03/01/96 | \$ 1,475,000 | | | | | |
| | | 5.350% | 10/01/07 | \$ 150,000 | \$ -- | \$ -- |
| | | 5.250% | 10/01/08 | 150,000 | 150,000 | 24,937 |
| | | 5.250% | 10/01/09 | 200,000 | 200,000 | 15,750 |
| | | 5.250% | 10/01/10 | <u>200,000</u> | <u>200,000</u> | <u>5,250</u> |
| Total Aquatic Center and Senior Center Debt | | | | <u>\$ 700,000</u> | <u>\$ 550,000</u> | <u>\$ 45,937</u> |

CITY OF WAYNE, MICHIGAN
SCHEDULE OF INDEBTEDNESS
BUILDING AUTHORITY REFUNDING BONDS
JUNE 30, 2008

| <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Interest Rate</u> | <u>Date of Maturity</u> | <u>June 30, 2007</u> | <u>June 30, 2008</u> | <u>Annual Interest Payable</u> |
|--|--------------------------------|--------------------------|---------------------------------|--------------------------|--------------------------|--|
| 10/30/97 | \$ 4,465,000 | | | | | |
| | | 4.650% | 10/01/07 | \$ 210,000 | \$ -- | \$ -- |
| | | 4.750% | 10/01/08 | 235,000 | 235,000 | 188,246 |
| | | 4.850% | 10/01/09 | 230,000 | 230,000 | 177,088 |
| | | 5.000% | 10/01/10 | 255,000 | 255,000 | 165,135 |
| | | 5.000% | 10/01/11 | 280,000 | 280,000 | 151,760 |
| | | 5.050% | 10/01/12 | 275,000 | 275,000 | 137,816 |
| | | 5.100% | 10/01/13 | 300,000 | 300,000 | 123,222 |
| | | 5.150% | 10/01/14 | 295,000 | 295,000 | 107,976 |
| | | 5.200% | 10/01/15 | 315,000 | 315,000 | 92,190 |
| | | 5.250% | 10/01/16 | 365,000 | 365,000 | 74,419 |
| | | 5.250% | 10/01/17 | 385,000 | 385,000 | 54,731 |
| | | 5.250% | 10/01/18 | 405,000 | 405,000 | 33,994 |
| | | 5.250% | 10/01/19 | 445,000 | 445,000 | 11,681 |
| Total Building Authority Refunding Bonds | | | | <u>\$ 3,995,000</u> | <u>\$ 3,785,000</u> | <u>\$ 1,318,258</u> |

CITY OF WAYNE, MICHIGAN
SCHEDULE OF INDEBTEDNESS
BUILDING AUTHORITY BONDS - COMMUNITY CENTER RENOVATION
JUNE 30, 2008

| <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Interest Rate</u> | <u>Date of Maturity</u> | <u>June 30, 2007</u> | <u>June 30, 2008</u> | <u>Annual Interest Payable</u> |
|---|--------------------------------|--------------------------|---------------------------------|--------------------------|--------------------------|--|
| 12/1/98 | \$ 1,800,000 | | | | | |
| | | 4.500% | 10/01/07 | \$ 75,000 | \$ -- | \$ -- |
| | | 4.550% | 10/01/08 | 75,000 | 75,000 | 59,356 |
| | | 4.600% | 10/01/09 | 100,000 | 100,000 | 55,350 |
| | | 4.650% | 10/01/10 | 100,000 | 100,000 | 50,725 |
| | | 4.700% | 10/01/11 | 100,000 | 100,000 | 46,050 |
| | | 4.750% | 10/01/12 | 100,000 | 100,000 | 41,325 |
| | | 4.800% | 10/01/13 | 125,000 | 125,000 | 35,950 |
| | | 4.850% | 10/01/14 | 125,000 | 125,000 | 29,919 |
| | | 4.850% | 10/01/15 | 125,000 | 125,000 | 23,856 |
| | | 4.900% | 10/01/16 | 125,000 | 125,000 | 17,763 |
| | | 4.900% | 10/01/17 | 150,000 | 150,000 | 11,025 |
| | | 4.900% | 10/01/18 | 150,000 | 150,000 | 3,675 |
| Total Community Center Renovation Debt | | | | <u>\$ 1,350,000</u> | <u>\$ 1,275,000</u> | <u>\$ 374,994</u> |

CITY OF WAYNE, MICHIGAN
SCHEDULE OF INDEBTEDNESS
BUILDING AUTHORITY BONDS - INTERIM FIRE/DPW BUILDING
JUNE 30, 2008

| <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Interest Rate</u> | <u>Date of Maturity</u> | <u>June 30, 2007</u> | <u>June 30, 2008</u> | <u>Annual Interest Payable</u> |
|---------------------------------|--------------------------------|--------------------------|---------------------------------|--------------------------|--------------------------|--|
| 04/01/01 | \$ 1,500,000 | | | | | |
| | | 4.300% | 10/01/07 | \$ 50,000 | \$ -- | \$ -- |
| | | 4.350% | 10/01/08 | 50,000 | 50,000 | 63,225 |
| | | 4.400% | 10/01/09 | 75,000 | 75,000 | 60,487 |
| | | 4.500% | 10/01/10 | 75,000 | 75,000 | 57,150 |
| | | 4.600% | 10/01/11 | 75,000 | 75,000 | 53,738 |
| | | 4.700% | 10/01/12 | 75,000 | 75,000 | 50,250 |
| | | 4.800% | 10/01/13 | 100,000 | 100,000 | 46,088 |
| | | 4.900% | 10/01/14 | 100,000 | 100,000 | 41,237 |
| | | 5.000% | 10/01/15 | 100,000 | 100,000 | 36,288 |
| | | 5.100% | 10/01/16 | 100,000 | 100,000 | 31,237 |
| | | 5.150% | 10/01/17 | 125,000 | 125,000 | 25,468 |
| | | 5.200% | 10/01/18 | 125,000 | 125,000 | 19,000 |
| | | 5.250% | 10/01/19 | 150,000 | 150,000 | 11,813 |
| | | 5.250% | 10/01/20 | 150,000 | 150,000 | 3,938 |
| Total Interim Fire/DPW Building | | | | <u>\$ 1,350,000</u> | <u>\$ 1,300,000</u> | <u>\$ 499,919</u> |

CITY OF WAYNE, MICHIGAN
SCHEDULE OF INDEBTEDNESS
BUILDING AUTHORITY BONDS - FIRE STATION
JUNE 30, 2008

| <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Interest Rate</u> | <u>Date of Maturity</u> | <u>June 30, 2007</u> | <u>June 30, 2008</u> | <u>Annual Interest Payable</u> |
|------------------------------|--------------------------------|--------------------------|---------------------------------|--------------------------|--------------------------|--|
| 04/01/02 | \$ 5,935,000 | | | | | |
| | | 7.5000% | 10/01/07 | \$ 150,000 | \$ — | \$ -- |
| | | 7.5000% | 10/01/08 | 150,000 | 150,000 | 257,950 |
| | | 7.5000% | 10/01/09 | 175,000 | 175,000 | 245,762 |
| | | 7.5000% | 10/01/10 | 175,000 | 175,000 | 232,638 |
| | | 7.5000% | 10/01/11 | 200,000 | 200,000 | 218,575 |
| | | 4.5000% | 10/01/12 | 200,000 | 200,000 | 206,575 |
| | | 4.6000% | 10/01/13 | 225,000 | 225,000 | 197,012 |
| | | 4.7000% | 10/01/14 | 225,000 | 225,000 | 186,775 |
| | | 4.7000% | 10/01/15 | 250,000 | 250,000 | 175,725 |
| | | 4.8000% | 10/01/16 | 250,000 | 250,000 | 163,975 |
| | | 4.8500% | 10/01/17 | 275,000 | 275,000 | 151,500 |
| | | 4.8500% | 10/01/18 | 275,000 | 275,000 | 138,231 |
| | | 4.8500% | 10/01/19 | 300,000 | 300,000 | 124,287 |
| | | 4.5000% | 10/01/20 | 325,000 | 325,000 | 109,131 |
| | | 4.5000% | 10/01/21 | 325,000 | 325,000 | 93,938 |
| | | 4.5000% | 10/01/22 | 325,000 | 325,000 | 79,312 |
| | | 4.5000% | 10/01/23 | 375,000 | 375,000 | 63,563 |
| | | 4.5000% | 10/01/24 | 400,000 | 400,000 | 46,125 |
| | | 4.5000% | 10/01/25 | 400,000 | 400,000 | 28,125 |
| | | 4.5000% | 10/01/26 | 425,000 | 425,000 | 9,562 |
| Total Fire Station | | | | <u>\$ 5,425,000</u> | <u>\$ 5,275,000</u> | <u>\$ 2,728,761</u> |

CITY OF WAYNE, MICHIGAN
SCHEDULE OF INDEBTEDNESS
BUILDING AUTHORITY BONDS - POLICE FACILITY
JUNE 30, 2008

| <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Interest Rate</u> | <u>Date of Maturity</u> | <u>June 30, 2007</u> | <u>June 30, 2008</u> | <u>Annual Interest Payable</u> |
|------------------------------|--------------------------------|--------------------------|---------------------------------|--------------------------|--------------------------|--|
| 04/01/03 | \$ 7,500,000 | | | | | |
| | | 3.0000% | 10/01/07 | \$ 150,000 | \$ -- | \$ -- |
| | | 3.0000% | 10/01/08 | 150,000 | 150,000 | 277,912 |
| | | 3.0000% | 10/01/09 | 175,000 | 175,000 | 273,038 |
| | | 3.1500% | 10/01/10 | 175,000 | 175,000 | 267,656 |
| | | 3.3000% | 10/01/11 | 200,000 | 200,000 | 261,600 |
| | | 3.4000% | 10/01/12 | 200,000 | 200,000 | 254,900 |
| | | 3.5000% | 10/01/13 | 200,000 | 200,000 | 248,000 |
| | | 3.6000% | 10/01/14 | 200,000 | 200,000 | 240,900 |
| | | 3.7000% | 10/01/15 | 250,000 | 250,000 | 232,675 |
| | | 3.8000% | 10/01/16 | 300,000 | 300,000 | 222,350 |
| | | 3.9000% | 10/01/17 | 300,000 | 300,000 | 210,800 |
| | | 4.0500% | 10/01/18 | 350,000 | 350,000 | 197,863 |
| | | 4.1500% | 10/01/19 | 350,000 | 350,000 | 183,512 |
| | | 4.2000% | 10/01/20 | 400,000 | 400,000 | 167,850 |
| | | 4.2500% | 10/01/21 | 400,000 | 400,000 | 150,950 |
| | | 4.2500% | 10/01/22 | 450,000 | 450,000 | 132,888 |
| | | 4.3000% | 10/01/23 | 500,000 | 500,000 | 112,575 |
| | | 4.3500% | 10/01/24 | 550,000 | 550,000 | 89,862 |
| | | 4.4000% | 10/01/25 | 550,000 | 550,000 | 65,800 |
| | | 4.4500% | 10/01/26 | 600,000 | 600,000 | 40,350 |
| | | 4.5000% | 10/01/27 | 600,000 | 600,000 | 13,500 |
| Total Police Facility | | | | <u>\$ 7,050,000</u> | <u>\$ 6,900,000</u> | <u>\$ 3,644,981</u> |

CITY OF WAYNE, MICHIGAN
SCHEDULE OF INDEBTEDNESS
CAPITAL LEASE - 2006 TRAUMAHAWK RESCUE
JUNE 30, 2008

| <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Interest Rate</u> | <u>Date of Maturity</u> | <u>June 30, 2007</u> | <u>June 30, 2008</u> | <u>Annual Interest Payable</u> |
|------------------------------|--------------------------------|--------------------------|---------------------------------|--------------------------|--------------------------|--|
| 6/21/05 | \$ 149,900 | | | | | |
| | | 3.250% | 8/21/2007 | \$ 28,998 | \$ — | \$ -- |
| | | 3.250% | 8/21/2008 | 29,949 | 29,949 | 1,997 |
| | | 3.250% | 8/21/2009 | 30,931 | 30,931 | 1,014 |
| Total Capital Lease | | | | <u>\$ 89,878</u> | <u>\$ 60,880</u> | <u>\$ 3,011</u> |

CITY OF WAYNE, MICHIGAN
SCHEDULE OF INDEBTEDNESS
CAPITAL LEASE - 2006 FITNESS EQUIPMENT
JUNE 30, 2008

| <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Interest Rate</u> | <u>Date of Maturity</u> | <u>June 30, 2007</u> | <u>June 30, 2008</u> | <u>Annual Interest Payable</u> |
|------------------------------|--------------------------------|--------------------------|---------------------------------|--------------------------|--------------------------|--|
| 10/27/05 | \$ 3,065 | 3.250% | 11/15/2007 | \$ 1,003 | \$ -- | \$ -- |
| Total Capital Lease | | | | \$ 1,003 | \$ -- | \$ -- |

CITY OF WAYNE, MICHIGAN
SCHEDULE OF INDEBTEDNESS
CAPITAL LEASE - PARKS AND RECREATION COPIER, PRINTER, SCANNER
JUNE 30, 2008

| <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Interest Rate</u> | <u>Monthly Maturity</u> | <u>June 30, 2007</u> | <u>June 30, 2008</u> | <u>Annual Interest Payable</u> |
|------------------------------|--------------------------------|--------------------------|-----------------------------|--------------------------|--------------------------|--|
| 07/06/06 | \$ 17,000 | | | | | |
| | | 14.217% | 2007-08 | \$ 2,893 | \$ -- | \$ -- |
| | | 14.217% | 2008-09 | 3,304 | 3,304 | 1,376 |
| | | 14.217% | 2009-10 | 3,774 | 3,774 | 906 |
| | | 14.217% | 2010-11 | 4,310 | 4,310 | 370 |
| | | 14.217% | 2011-12 | 385 | 385 | 5 |
| | | | | <u>\$ 14,666</u> | <u>\$ 11,773</u> | <u>\$ 2,657</u> |
| Total Capital Lease | | | | <u>\$ 14,666</u> | <u>\$ 11,773</u> | <u>\$ 2,657</u> |

CITY OF WAYNE, MICHIGAN
SCHEDULE OF INDEBTEDNESS
CAPITAL LEASE - 2007 FIRE DEPARTMENT COPIER
JUNE 30, 2008

| <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Interest Rate</u> | <u>Monthly Maturity</u> | <u>June 30, 2007</u> | <u>June 30, 2008</u> | <u>Annual Interest Payable</u> |
|------------------------------|--------------------------------|--------------------------|-----------------------------|--------------------------|--------------------------|--|
| 08/30/06 | \$ 5,925 | 9.00% | | | | |
| | | | 2007-08 | \$ 1,059 | \$ -- | \$ -- |
| | | | 2008-09 | 1,158 | 1,158 | 318 |
| | | | 2009-10 | 1,266 | 1,266 | 209 |
| | | | 2010-11 | 1,385 | 1,385 | 91 |
| | | | 2011-12 | 245 | 245 | 2 |
| Total Capital Lease | | | | <u>\$ 5,113</u> | <u>\$ 4,054</u> | <u>\$ 620</u> |

CITY OF WAYNE, MICHIGAN
SCHEDULE OF INDEBTEDNESS
CAPITAL LEASE - 2007 POLICE MOBILE WORKSTATION
JUNE 30, 2008

| <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Interest Rate</u> | <u>Date of Maturity</u> | <u>June 30, 2007</u> | <u>June 30, 2008</u> | <u>Annual Interest Payable</u> |
|------------------------------|--------------------------------|--------------------------|---------------------------------|--------------------------|--------------------------|--|
| 09/01/06 | \$ 70,222 | | | | | |
| | | 5.999% | 09/01/07 | \$ 22,058 | \$ -- | \$ -- |
| | | 5.999% | 09/01/08 | 23,381 | 23,381 | 2,889 |
| | | 5.999% | 09/01/09 | 24,783 | 24,783 | 1,487 |
| Total Capital Lease | | | | <u>\$ 70,222</u> | <u>\$ 48,164</u> | <u>\$ 4,376</u> |

CITY OF WAYNE, MICHIGAN
SCHEDULE OF INDEBTEDNESS
CAPITAL LEASE - 2007 POLICE VEHICLE
JUNE 30, 2008

| <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Interest Rate</u> | <u>Date of Maturity</u> | <u>June 30, 2007</u> | <u>June 30, 2008</u> | <u>Annual Interest Payable</u> |
|------------------------------|--------------------------------|--------------------------|---------------------------------|--------------------------|--------------------------|--|
| 01/12/07 | \$ 21,584 | 6.80% | | | | |
| | | | 01/12/08 | \$ 6,727 | \$ -- | \$ -- |
| | | | 01/12/09 | 7,184 | 7,184 | 489 |
| Total Capital Lease | | | | <u>\$ 13,911</u> | <u>\$ 7,184</u> | <u>\$ 489</u> |

CITY OF WAYNE, MICHIGAN
SCHEDULE OF INDEBTEDNESS
CAPITAL LEASE - BUILDING AND ENGINEERING COPIER
JUNE 30, 2008

| <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Interest Rate</u> | <u>Monthly Maturity</u> | <u>June 30, 2007</u> | <u>June 30, 2008</u> | <u>Annual Interest Payable</u> |
|------------------------------|--------------------------------|--------------------------|-----------------------------|--------------------------|--------------------------|--|
| 07/25/07 | \$ 5,177 | 9.985% | 2008-09 | \$ -- | \$ 1,720 | \$ 284 |
| | | 9.985% | 2009-10 | -- | 1,900 | 104 |
| Total Capital Lease | | | | <u>\$ --</u> | <u>\$ 3,620</u> | <u>\$ 388</u> |

CITY OF WAYNE, MICHIGAN
SCHEDULE OF INDEBTEDNESS
CAPITAL LEASE - 2008 FITNESS EQUIPMENT
JUNE 30, 2008

| <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Interest Rate</u> | <u>Monthly Maturity</u> | <u>June 30, 2007</u> | <u>June 30, 2008</u> | <u>Annual Interest Payable</u> |
|------------------------------|--------------------------------|--------------------------|-----------------------------|--------------------------|--------------------------|--|
| 01/28/08 | \$ 17,460 | 9.790% | 01/28/09 | \$ -- | \$ 5.803 | \$ 1,192 |
| | | 9.790% | 01/28/10 | -- | 6,371 | 624 |
| Total Capital Lease | | | | <u>\$ --</u> | <u>\$ 12,174</u> | <u>\$ 1,816</u> |

CITY OF WAYNE, MICHIGAN
SCHEDULE OF INDEBTEDNESS
NOTE PAYABLE TO DDA
JUNE 30, 2008

| <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Interest Rate</u> | <u>Date of Maturity</u> | <u>June 30, 2007</u> | <u>June 30, 2008</u> | <u>Annual Interest Payable</u> |
|------------------------------|--------------------------------|--------------------------|---------------------------------|--------------------------|--------------------------|--|
| 06/30/06 | \$ 283,073 | | | | | |
| | | 2.500% | 8/6/2007 | \$ 56,615 | \$ -- | \$ -- |
| | | 2.500% | 8/6/2008 | 56,615 | 56,615 | 4,246 |
| | | 2.500% | 8/6/2009 | 56,614 | 56,614 | 2,831 |
| | | 2.500% | 8/6/2010 | 56,614 | 56,614 | 1,415 |
| Total Note Payable | | | | <u>\$ 226,458</u> | <u>\$ 169,843</u> | <u>\$ 8,492</u> |

CITY OF WAYNE, MICHIGAN
WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM - ENTERPRISE FUND
SCHEDULE OF INDEBTEDNESS
MICHIGAN MUNICIPAL BOND AUTHORITY
JUNE 30, 2008

| <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Interest Rate</u> | <u>Date of Maturity</u> | <u>June 30, 2007</u> | <u>June 30, 2008</u> | <u>Annual Interest Payable</u> |
|---|--------------------------------|--------------------------|---------------------------------|--------------------------|--------------------------|--|
| 9/28/95 | \$ 255,796 | | | | | |
| | | 2.250% | 10/01/07 | \$ 15,000 | \$ -- | \$ -- |
| | | 2.250% | 10/01/08 | 15,000 | 15,000 | 2,869 |
| | | 2.250% | 10/01/09 | 15,000 | 15,000 | 2,531 |
| | | 2.250% | 10/01/10 | 15,000 | 15,000 | 2,194 |
| | | 2.250% | 10/01/11 | 15,000 | 15,000 | 1,856 |
| | | 2.250% | 10/01/12 | 15,000 | 15,000 | 1,519 |
| | | 2.250% | 10/01/13 | 15,000 | 15,000 | 1,181 |
| | | 2.250% | 10/01/14 | 15,000 | 15,000 | 844 |
| | | 2.250% | 10/01/15 | 15,000 | 15,000 | 506 |
| | | 2.250% | 10/01/16 | 15,000 | 15,000 | 169 |
| Total Michigan Municipal Bond Authority | | | | <u>\$ 150,000</u> | <u>\$ 135,000</u> | <u>\$ 13,669</u> |

CITY OF WAYNE, MICHIGAN
WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM - ENTERPRISE FUND
SCHEDULE OF INDEBTEDNESS
MICHIGAN MUNICIPAL BOND AUTHORITY
JUNE 30, 2008

| <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Interest Rate</u> | <u>Date of Maturity</u> | <u>June 30, 2007</u> | <u>June 30, 2008</u> | <u>Annual Interest Payable</u> |
|---|--------------------------------|--------------------------|---------------------------------|--------------------------|--------------------------|--|
| 6/26/97 | \$ 604,829 | | | | | |
| | | 2.250% | 10/01/07 | \$ 30,000 | \$ -- | \$ -- |
| | | 2.250% | 10/01/08 | 30,000 | 30,000 | 6,188 |
| | | 2.250% | 10/01/09 | 30,000 | 30,000 | 5,512 |
| | | 2.250% | 10/01/10 | 35,000 | 35,000 | 4,781 |
| | | 2.250% | 10/01/11 | 35,000 | 35,000 | 3,994 |
| | | 2.250% | 10/01/12 | 30,000 | 30,000 | 3,263 |
| | | 2.250% | 10/01/13 | 35,000 | 35,000 | 2,531 |
| | | 2.250% | 10/01/14 | 35,000 | 35,000 | 1,744 |
| | | 2.250% | 10/01/15 | 30,000 | 30,000 | 1,012 |
| | | 2.250% | 10/01/16 | 30,000 | 30,000 | 338 |
| Total Michigan Municipal Bond Authority | | | | <u>\$ 320,000</u> | <u>\$ 290,000</u> | <u>\$ 29,363</u> |

CITY OF WAYNE, MICHIGAN
WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM - ENTERPRISE FUND
SCHEDULE OF INDEBTEDNESS
GENERAL OBLIGATION LIMITED TAX REFUNDING BONDS, SERIES 2003
JUNE 30, 2008

| <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Interest Rate</u> | <u>Date of Maturity</u> | <u>June 30, 2007</u> | <u>June 30, 2008</u> | <u>Annual Interest Payable</u> |
|--|--------------------------------|--------------------------|---------------------------------|--------------------------|--------------------------|--|
| 11/13/03 | \$ 2,720,000 | | | | | |
| | | 2.500% | 10/01/07 | \$ 200,000 | \$ -- | \$ -- |
| | | 3.000% | 10/01/08 | 190,000 | 190,000 | 71.294 |
| | | 3.250% | 10/01/09 | 190,000 | 190,000 | 65.356 |
| | | 3.500% | 10/01/10 | 240,000 | 240,000 | 58,069 |
| | | 3.500% | 10/01/11 | 230,000 | 230,000 | 49,844 |
| | | 3.550% | 10/01/12 | 255,000 | 255,000 | 41,293 |
| | | 3.700% | 10/01/13 | 270,000 | 270,000 | 31,771 |
| | | 3.850% | 10/01/14 | 270,000 | 270,000 | 21,579 |
| | | 4.000% | 10/01/15 | 260,000 | 260,000 | 11,181 |
| | | 4.125% | 10/01/16 | 145,000 | 145,000 | 2,991 |
| Total General Obligation Limited Bonds | | | | <u>\$ 2,250,000</u> | <u>\$ 2,050,000</u> | <u>\$ 353,378</u> |

CITY OF WAYNE, MICHIGAN
WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM - ENTERPRISE FUND
SCHEDULE OF INDEBTEDNESS
2004 GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS
JUNE 30, 2008

| <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Interest Rate</u> | <u>Date of Maturity</u> | <u>June 30, 2007</u> | <u>June 30, 2008</u> | <u>Annual Interest Payable</u> |
|--|--------------------------------|--------------------------|---------------------------------|--------------------------|--------------------------|--|
| 7/1/04 | \$ 7,750,000 | | | | | |
| | | 3.000% | 10/01/07 | \$ 125,000 | \$ -- | \$ -- |
| | | 3.250% | 10/01/08 | 125,000 | 125,000 | 132,981 |
| | | 3.250% | 10/01/09 | 150,000 | 150,000 | 128,513 |
| | | 3.500% | 10/01/10 | 150,000 | 150,000 | 123,450 |
| | | 3.500% | 10/01/11 | 175,000 | 175,000 | 117,763 |
| | | 3.750% | 10/01/12 | 200,000 | 200,000 | 110,950 |
| | | 3.750% | 10/01/13 | 225,000 | 225,000 | 102,981 |
| | | 3.750% | 10/01/14 | 225,000 | 225,000 | 94,543 |
| | | 3.900% | 10/01/15 | 250,000 | 250,000 | 85,450 |
| | | 4.000% | 10/01/16 | 275,000 | 275,000 | 75,075 |
| | | 4.100% | 10/01/17 | 275,000 | 275,000 | 63,938 |
| | | 4.200% | 10/01/18 | 300,000 | 300,000 | 52,000 |
| | | 4.300% | 10/01/19 | 325,000 | 325,000 | 38,712 |
| | | 4.350% | 10/01/20 | 350,000 | 350,000 | 24,113 |
| | | 4.400% | 10/01/21 | 375,000 | 375,000 | 8,250 |
| | | 4.500% | 10/01/22 | 400,000 | -- | -- |
| | | 4.600% | 10/01/23 | 425,000 | -- | -- |
| | | 4.700% | 10/01/24 | 450,000 | -- | -- |
| | | 5.250% | 10/01/25 | 475,000 | -- | -- |
| | | 5.250% | 10/01/26 | 500,000 | -- | -- |
| | | 5.250% | 10/01/27 | 550,000 | -- | -- |
| | | 5.250% | 10/01/28 | 600,000 | -- | -- |
| | | 5.250% | 10/01/29 | 625,000 | -- | -- |
| Total General Obligation Capital Improvement Bonds | | | | <u>\$ 7,550,000</u> | <u>\$ 3,400,000</u> | <u>\$ 1,158,719</u> |

CITY OF WAYNE, MICHIGAN
WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM - ENTERPRISE FUND
SCHEDULE OF INDEBTEDNESS
2006 GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS
JUNE 30, 2008

| <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Interest Rate</u> | <u>Date of Maturity</u> | <u>June 30, 2007</u> | <u>June 30, 2008</u> | <u>Annual Interest Payable</u> |
|--|--------------------------------|--------------------------|---------------------------------|--------------------------|--------------------------|--|
| 8/7/06 | \$ 7,500,000 | | | | | |
| | | 4.500% | 10/01/07 | \$ 100,000 | \$ -- | \$ -- |
| | | 4.500% | 10/01/08 | 100,000 | 100,000 | 328.850 |
| | | 4.500% | 10/01/09 | 100,000 | 100,000 | 324.350 |
| | | 4.500% | 10/01/10 | 100,000 | 100,000 | 319.850 |
| | | 4.500% | 10/01/11 | 100,000 | 100,000 | 315.350 |
| | | 4.625% | 10/01/12 | 200,000 | 200,000 | 308.475 |
| | | 6.000% | 10/01/13 | 200,000 | 200,000 | 297.850 |
| | | 6.000% | 10/01/14 | 200,000 | 200,000 | 285.850 |
| | | 6.000% | 10/01/15 | 200,000 | 200,000 | 273.850 |
| | | 4.500% | 10/01/16 | 200,000 | 200,000 | 263.350 |
| | | 4.000% | 10/01/17 | 300,000 | 300,000 | 252.850 |
| | | 4.000% | 10/01/18 | 300,000 | 300,000 | 240.850 |
| | | 4.500% | 10/01/19 | 300,000 | 300,000 | 228.100 |
| | | 4.500% | 10/01/20 | 300,000 | 300,000 | 214.600 |
| | | 4.500% | 10/01/21 | 300,000 | 300,000 | 201.100 |
| | | 4.150% | 10/01/22 | 400,000 | 400,000 | 186.050 |
| | | 4.200% | 10/01/23 | 400,000 | 400,000 | 169.350 |
| | | 4.250% | 10/01/24 | 400,000 | 400,000 | 152.450 |
| | | 4.250% | 10/01/25 | 400,000 | 400,000 | 135.450 |
| | | 4.300% | 10/01/26 | 400,000 | 400,000 | 118.350 |
| | | 4.375% | 10/01/27 | 500,000 | 500,000 | 98.813 |
| | | 4.375% | 10/01/28 | 500,000 | 500,000 | 76.937 |
| | | 4.400% | 10/01/29 | 500,000 | 500,000 | 55.000 |
| | | 4.400% | 10/01/30 | 500,000 | 500,000 | 33.000 |
| | | 4.400% | 10/01/31 | 500,000 | 500,000 | 11.000 |
| Total General Obligation Capital Improvement Bonds | | | | <u>\$ 7,500,000</u> | <u>\$ 7,400,000</u> | <u>\$ 4,891,675</u> |

CITY OF WAYNE, MICHIGAN
WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM - ENTERPRISE FUND
SCHEDULE OF INDEBTEDNESS
GENERAL OBLIGATION CAPITAL IMPROVEMENT REFUNDING BONDS, SERIES 2007
JUNE 30, 2008

| <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Interest Rate</u> | <u>Date of Maturity</u> | <u>June 30, 2007</u> | <u>June 30, 2008</u> | <u>Annual Interest Payable</u> |
|--|--------------------------------|--------------------------|---------------------------------|--------------------------|--------------------------|--|
| 1/31/07 | \$ 4,430,000 | | | | | |
| | | 3.500% | 10/01/07 | \$ 75,000 | \$ -- | \$ -- |
| | | 3.700% | 10/01/08 | 15,000 | 15,000 | 175,092 |
| | | 3.700% | 10/01/09 | 15,000 | 15,000 | 174,538 |
| | | 3.700% | 10/01/10 | 15,000 | 15,000 | 173,982 |
| | | 3.700% | 10/01/11 | 15,000 | 15,000 | 173,428 |
| | | 3.700% | 10/01/12 | 15,000 | 15,000 | 172,872 |
| | | 3.800% | 10/01/13 | 15,000 | 15,000 | 172,310 |
| | | 3.800% | 10/01/14 | 15,000 | 15,000 | 171,740 |
| | | 3.800% | 10/01/15 | 15,000 | 15,000 | 171,170 |
| | | 3.800% | 10/01/16 | 20,000 | 20,000 | 170,505 |
| | | 4.000% | 10/01/17 | 20,000 | 20,000 | 169,725 |
| | | 4.000% | 10/01/18 | 20,000 | 20,000 | 168,925 |
| | | 4.000% | 10/01/19 | 20,000 | 20,000 | 168,125 |
| | | 4.000% | 10/01/20 | 20,000 | 20,000 | 167,325 |
| | | 4.000% | 10/01/21 | 20,000 | 20,000 | 166,525 |
| | | 4.000% | 10/01/22 | 425,000 | 425,000 | 157,625 |
| | | 4.000% | 10/01/23 | 445,000 | 445,000 | 140,225 |
| | | 4.000% | 10/01/24 | 470,000 | 470,000 | 121,925 |
| | | 4.000% | 10/01/25 | 490,000 | 490,000 | 102,725 |
| | | 4.000% | 10/01/26 | 510,000 | 510,000 | 82,725 |
| | | 4.000% | 10/01/27 | 555,000 | 555,000 | 61,425 |
| | | 4.125% | 10/01/28 | 600,000 | 600,000 | 37,950 |
| | | 4.125% | 10/01/29 | 620,000 | 620,000 | 12,788 |
| Total General Obligation Capital Improvement Bonds | | | | <u>\$ 4,430,000</u> | <u>\$ 4,355,000</u> | <u>\$ 3,113,650</u> |

CITY OF WAYNE, MICHIGAN
INTERNAL SERVICE FUNDS
COMBINING SCHEDULE OF NET ASSETS
JUNE 30, 2008

| | DPW Equipment <u>Rental Fund</u> | Administrative Equipment <u>Rental Fund</u> |
|---|--|---|
| <u>ASSETS</u> | | |
| Current Assets: | | |
| Cash and Cash Equivalents | \$ 1,170,159 | \$ 53,818 |
| Accounts Receivable | -- | -- |
| Due from Employees | -- | -- |
| Due from Other Funds | -- | -- |
| Inventory | -- | -- |
| Prepaid Items | -- | -- |
| Total Current Assets | <u>1,170,159</u> | <u>53,818</u> |
| Property, Plant and Equipment | 3,151,329 | 3,939,730 |
| Less: Accumulated Depreciation | <u>(2,277,568)</u> | <u>(3,162,652)</u> |
| Net Property, Plant and Equipment | <u>873,761</u> | <u>777,078</u> |
| Total Assets | <u>2,043,920</u> | <u>830,896</u> |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| Current Liabilities: | | |
| Accounts Payable | 9,417 | -- |
| Due to Other Governmental Units | -- | -- |
| Due to Other Funds | 5,207 | -- |
| Accrued Salaries and Wages | -- | -- |
| Current Portion of Long-Term Debt | 51,283 | -- |
| Unsettled Claims - Property Casualty Losses | -- | -- |
| Unsettled Claims - Worker's Compensation | -- | -- |
| Total Current Liabilities | <u>65,907</u> | <u>--</u> |
| Long-Term Debt: | | |
| Capital Leases | 51,283 | -- |
| Less: Current Portion | <u>(51,283)</u> | <u>--</u> |
| Total Long-Term Debt | <u>--</u> | <u>--</u> |
| Net Assets: | | |
| Unrestricted | <u>\$ 1,978,013</u> | <u>\$ 830,896</u> |

Supplementary
Financial Data

| Retired Lives Medical Coverage Fund | Risk Management Fund | DPW Services Fund | Administrative Services Fund | Total |
|--|----------------------------|-------------------------|------------------------------------|---------------------|
| \$ 397,892 | \$ 4,435,322 | \$ 126,160 | \$ 79,992 | \$ 6,263,343 |
| 8,211 | 112,391 | 43,834 | -- | 164,436 |
| 894 | 470 | -- | -- | 1,364 |
| -- | -- | 63,673 | -- | 63,673 |
| -- | -- | 236,138 | 4,982 | 241,120 |
| 868 | 226,598 | -- | -- | 227,466 |
| <u>407,865</u> | <u>4,774,781</u> | <u>469,805</u> | <u>84,974</u> | <u>6,961,402</u> |
| -- | -- | -- | 22,030 | 7,113,089 |
| -- | -- | -- | (22,030) | (5,462,250) |
| -- | -- | -- | -- | <u>1,650,839</u> |
| <u>407,865</u> | <u>4,774,781</u> | <u>469,805</u> | <u>84,974</u> | <u>8,612,241</u> |
| 3,168 | 17,348 | 133,148 | 307 | 163,388 |
| -- | 4,947 | -- | -- | 4,947 |
| -- | -- | -- | -- | 5,207 |
| -- | -- | 47,995 | -- | 47,995 |
| -- | -- | -- | -- | 51,283 |
| -- | 77,407 | -- | -- | 77,407 |
| -- | 200,409 | -- | -- | 200,409 |
| <u>3,168</u> | <u>300,111</u> | <u>181,143</u> | <u>307</u> | <u>550,636</u> |
| -- | -- | -- | -- | 51,283 |
| -- | -- | -- | -- | (51,283) |
| -- | -- | -- | -- | -- |
| <u>\$ 404,697</u> | <u>\$ 4,474,670</u> | <u>\$ 288,662</u> | <u>\$ 84,667</u> | <u>\$ 8,061,605</u> |

CITY OF WAYNE, MICHIGAN
INTERNAL SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008

| | DPW Equipment Rental Fund | Administrative Equipment Rental Fund |
|--|---------------------------------|--|
| Operating Revenues: | | |
| Charges for Services | \$ 947,566 | \$ 10,682 |
| Other | -- | -- |
| Total Operating Revenues | <u>947,566</u> | <u>10,682</u> |
| Operating Expenses: | | |
| Salaries and Benefits | 226,138 | -- |
| Materials and Supplies | 162,552 | -- |
| Professional Services | 16,331 | -- |
| Transportation | -- | -- |
| Payment and Claims | -- | -- |
| Service and Maintenance | 69,777 | -- |
| Insurance and Bonds | 63,200 | -- |
| Depreciation | 203,356 | 164,498 |
| Other | 120,362 | -- |
| Total Operating Expenses | <u>861,716</u> | <u>164,498</u> |
| Operating Income/(Loss) | <u>85,850</u> | <u>(153,816)</u> |
| Non-Operating Revenues/(Expenses): | | |
| Interest Income | 45,693 | 1,827 |
| Interest Expense | (5,562) | (107) |
| Gains/(Loss) from Sale of Capital Assets | -- | (14,592) |
| Total Non-Operating Revenues/(Expenses) | <u>40,131</u> | <u>(12,872)</u> |
| Income/(Loss) Before Transfers | <u>125,981</u> | <u>(166,688)</u> |
| Transfers from/(to) Other Funds: | | |
| Transfers from: | | |
| General Fund | -- | -- |
| Risk Management Fund | -- | -- |
| Transfers to: | | |
| Retired Lives Medical Coverage Fund | -- | -- |
| Total Transfers from/(to) Other Funds | <u>--</u> | <u>--</u> |
| Change in Net Assets | <u>125,981</u> | <u>(166,688)</u> |
| Net Assets, Beginning of Year | <u>1,852,032</u> | <u>997,584</u> |
| Net Assets, End of Year | <u>\$ 1,978,013</u> | <u>\$ 830,896</u> |

| Retired Lives Medical Coverage Fund | Risk Management Fund | DPW Services Fund | Administrative Services Fund | Total |
|--|----------------------------|-------------------------|------------------------------------|---------------------|
| \$ 1,310,256 | \$ 3,072,182 | \$ 3,644,829 | \$ -- | \$ 8,985,515 |
| -- | -- | -- | 19,126 | 19,126 |
| <u>1,310,256</u> | <u>3,072,182</u> | <u>3,644,829</u> | <u>19,126</u> | <u>9,004,641</u> |
| -- | 198,728 | 2,974,211 | -- | 3,399,077 |
| -- | -- | 362,112 | 3,730 | 528,394 |
| -- | 204,779 | -- | -- | 221,110 |
| -- | -- | 32,114 | -- | 32,114 |
| 1,414,429 | 274,190 | -- | -- | 1,688,619 |
| -- | 109,360 | -- | 3,522 | 182,659 |
| -- | 2,040,693 | -- | -- | 2,103,893 |
| -- | -- | -- | -- | 367,854 |
| -- | 85,657 | 103,312 | -- | 309,331 |
| <u>1,414,429</u> | <u>2,913,407</u> | <u>3,471,749</u> | <u>7,252</u> | <u>8,833,051</u> |
| <u>(104,173)</u> | <u>158,775</u> | <u>173,080</u> | <u>11,874</u> | <u>171,590</u> |
| 10,206 | 2,817 | (9,107) | -- | 51,436 |
| -- | -- | -- | -- | (5,669) |
| -- | -- | -- | -- | (14,592) |
| <u>10,206</u> | <u>2,817</u> | <u>(9,107)</u> | <u>--</u> | <u>31,175</u> |
| <u>(93,967)</u> | <u>161,592</u> | <u>163,973</u> | <u>11,874</u> | <u>202,765</u> |
| -- | 240,000 | -- | -- | 240,000 |
| 166,514 | -- | -- | -- | 166,514 |
| -- | (166,514) | -- | -- | (166,514) |
| <u>166,514</u> | <u>73,486</u> | <u>--</u> | <u>--</u> | <u>240,000</u> |
| <u>72,547</u> | <u>235,078</u> | <u>163,973</u> | <u>11,874</u> | <u>442,765</u> |
| <u>332,150</u> | <u>4,239,592</u> | <u>124,689</u> | <u>72,793</u> | <u>7,618,840</u> |
| <u>\$ 404,697</u> | <u>\$ 4,474,670</u> | <u>\$ 288,662</u> | <u>\$ 84,667</u> | <u>\$ 8,061,605</u> |

CITY OF WAYNE, MICHIGAN
INTERNAL SERVICE FUNDS
COMBINING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008
PAGE 1 OF 2

| | DPW Equipment Rental Fund | Administrative Equipment Rental Fund |
|---|---------------------------------|--|
| Cash Flows from Operating Activities: | | |
| Cash Received from Users | \$ 947,566 | \$ 10,682 |
| Cash Payments to Suppliers for Goods and Services | (431,997) | -- |
| Cash Payments to Employees for Services | (226,138) | -- |
| Net Cash Provided/(Used) by Operating Activities | <u>289,431</u> | <u>10,682</u> |
| Cash Flows Used for Non-Capital Financing Activities: | | |
| Contribution to Other Funds | <u>--</u> | <u>--</u> |
| Cash Flows from Capital and Related Financing Activities: | | |
| Contribution from Other Funds | -- | -- |
| Acquisition of Capital Assets | (272,675) | -- |
| Principal Paid on Equipment Contracts | (48,577) | (10,468) |
| Interest Paid on Equipment Contracts | -- | (214) |
| Proceeds from Sale of Capital Assets | (5,562) | 2,930 |
| Net Cash Provided/(Used) by Capital and Related Financing Activities | <u>(326,814)</u> | <u>(7,752)</u> |
| Cash Flows from Investing Activities: | | |
| Interest on Investments | <u>45,693</u> | <u>1,828</u> |
| Net Increase/(Decrease) in Cash and Cash Equivalents | <u>8,310</u> | <u>4,758</u> |
| Cash and Cash Equivalents at Beginning of Year | <u>1,161,849</u> | <u>49,060</u> |
| Cash and Cash Equivalents at End of Year | <u>\$ 1,170,159</u> | <u>\$ 53,818</u> |

*Supplementary
Financial Data*

| Retired Lives Medical Coverage Fund | Risk Management Fund | DPW Services Fund | Administrative Services Fund | Total |
|--|--|--|---|--|
| \$ 1,353,375 (1,418,752) -- <u>(65,377)</u> | \$ 2,964,243 (2,959,111) (198,728) <u>(193,596)</u> | \$ 3,625,006 (526,586) (2,963,153) <u>135,267</u> | \$ 19,126 (10,104) -- <u>9,022</u> | \$ 8,919,998 (5,346,550) (3,388,019) <u>185,429</u> |
| -- | 73,486 | -- | -- | 73,486 |
| 166,514 | -- | -- | -- | 166,514 |
| -- | -- | -- | -- | (272,675) |
| -- | -- | -- | -- | (59,045) |
| -- | -- | -- | -- | (214) |
| -- | -- | -- | -- | <u>(2,632)</u> |
| 166,514 | -- | -- | -- | <u>(168,052)</u> |
| 10,206 | 2,817 | (9,107) | -- | 51,437 |
| 111,343 | (117,293) | 126,160 | 9,022 | 142,300 |
| 286,549 | 4,552,615 | -- | 70,970 | 6,121,043 |
| <u>\$ 397,892</u> | <u>\$ 4,435,322</u> | <u>\$ 126,160</u> | <u>\$ 79,992</u> | <u>\$ 6,263,343</u> |

CITY OF WAYNE, MICHIGAN
INTERNAL SERVICE FUNDS
COMBINING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008
PAGE 2 OF 2

| | DPW Equipment <u>Rental Fund</u> | Administrative Equipment <u>Rental Fund</u> |
|---|--|---|
| <u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED</u> <u>BY OPERATING ACTIVITIES</u> | | |
| Operating Income/(Loss) | \$ 85,850 | \$ (153,816) |
| Adjustments to Reconcile Operating Income to Net Cash Provided/(Used) by Operating Activities: | | |
| Depreciation | 203,356 | 164,498 |
| Change in Assets and Liabilities: | | |
| (Increase)/Decrease in Accounts Receivable | -- | -- |
| (Increase) in Inventory | -- | -- |
| (Increase)/Decrease in Due from Employees | -- | -- |
| (Increase) in Due from Other Funds | -- | -- |
| (Increase)/Decrease in Prepaid Items | -- | -- |
| Increase/(Decrease) in Accounts Payable | (1,966) | -- |
| Increase in Due to Other Governmental Units | -- | -- |
| Increase/(Decrease) in Due to Other Funds | 2,191 | -- |
| Increase in Accrued Salaries and Wages | -- | -- |
| Increase in Unsettled Claims - Property Casualty Losses | -- | -- |
| (Decrease) in Unsettled Claims - Workers Compensation | -- | -- |
| Total Adjustments | <u>203,581</u> | <u>164,498</u> |
| Net Cash Provided/(Used) by Operating Activities | <u>\$ 289,431</u> | <u>\$ 10,682</u> |

*Supplementary
Financial Data*

| Retired Lives Medical Coverage <u>Fund</u> | Risk Management <u>Fund</u> | DPW Services <u>Fund</u> | Administrative Services <u>Fund</u> | <u>Total</u> |
|---|-----------------------------------|--------------------------------|---|-------------------|
| \$ (104,173) | \$ 158,775 | \$ 173,080 | \$ 11,874 | \$ 171,590 |
| -- | -- | -- | -- | 367,854 |
| 43,158 | (108,345) | (1,945) | -- | (67,132) |
| -- | -- | (13,169) | (2,566) | (15,735) |
| (39) | 406 | -- | -- | 367 |
| -- | -- | (17,878) | -- | (17,878) |
| 66 | (214,598) | -- | -- | (214,532) |
| (4,389) | (19,922) | 111,926 | (286) | 85,363 |
| -- | 4,947 | -- | -- | 4,947 |
| -- | -- | (127,805) | -- | (125,614) |
| -- | -- | 11,058 | -- | 11,058 |
| -- | 47,382 | -- | -- | 47,382 |
| -- | (62,241) | -- | -- | (62,241) |
| <u>38,796</u> | <u>(352,371)</u> | <u>(37,813)</u> | <u>(2,852)</u> | <u>13,839</u> |
| <u>\$ (65,377)</u> | <u>\$ (193,596)</u> | <u>\$ 135,267</u> | <u>\$ 9,022</u> | <u>\$ 185,429</u> |

CITY OF WAYNE, MICHIGAN
BALANCE SHEET
RECONCILING TO THE STATEMENT OF NET ASSETS
MAJOR COMPONENT UNIT
DOWNTOWN DEVELOPMENT AUTHORITY
JUNE 30, 2008

ASSETS

Assets:

| | |
|---------------------------|---------------------|
| Cash and Cash Equivalents | \$ 1,902,958 |
| Accounts Receivable | 14,765 |
| Notes Receivable | 169,844 |
| Prepaid Items | <u>7,215</u> |
| Total Assets | <u>\$ 2,094,782</u> |

LIABILITIES AND FUND BALANCE

Liabilities:

| | |
|----------------------------|------------------|
| Accounts Payable | \$ 1,348,731 |
| Accrued Salaries and Wages | 3,144 |
| Deferred Revenue | <u>169,844</u> |
| Total Liabilities | <u>1,521,719</u> |

Fund Balance:

| | |
|----------------------------|----------------|
| Reserved for Prepaid Items | 7,215 |
| Unreserved, Undesignated | <u>565,848</u> |
| Total Fund Balance | <u>573,063</u> |

| | |
|------------------------------------|---------------------|
| Total Liabilities and Fund Balance | <u>\$ 2,094,782</u> |
|------------------------------------|---------------------|

Reconciliation to the Statement of Net Assets:

| | |
|--|---------------------|
| Total Fund Balance | \$ 573,063 |
| Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. | 8,317,110 |
| Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds. | <u>(164,154)</u> |
| Total Net Assets | <u>\$ 8,726,019</u> |

CITY OF WAYNE, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
RECONCILING TO THE STATEMENT OF ACTIVITIES
MAJOR COMPONENT UNIT
DOWNTOWN DEVELOPMENT AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2008

| | |
|--|--------------------------|
| Revenues: | |
| Taxes | \$ 6,047,646 |
| Intergovernmental | -- |
| Sale of Capital Assets | -- |
| Interest and Rents | 90,889 |
| Other | 407,399 |
| Total Revenues | <u>6,545,934</u> |
| Expenditures: | |
| Current: | |
| Community and Economic Development | 5,841,778 |
| Capital Outlay | 797,656 |
| Total Expenditures | <u>6,639,434</u> |
| Net Change in Fund Balance | <u>(93,500)</u> |
| Fund Balance at Beginning of Year | <u>666,563</u> |
| Fund Balance at End of Year | <u><u>\$ 573,063</u></u> |
| Reconciliation to the Statement of Activities: | |
| Net Change in Fund Balance | \$ (93,500) |
| Governmental funds report capital outlays as expenditures. | |
| However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. | 443,976 |
| Repayment of land contract principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. | <u>73,159</u> |
| Change in Net Assets | <u><u>\$ 423,635</u></u> |

CITY OF WAYNE, MICHIGAN
COMBINING SCHEDULE OF NET ASSETS
NONMAJOR COMPONENT UNITS
JUNE 30, 2008

| | Parks and Recreation Foundation | Wayne Housing Commission | Total |
|--|---------------------------------------|--------------------------------|---------------------|
| <u>ASSETS</u> | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | \$ 28,954 | \$ 261,385 | \$ 290,339 |
| Receivables (Net) | -- | 158 | 158 |
| Prepaid Items | -- | 21,469 | 21,469 |
| Total Current Assets | <u>28,954</u> | <u>283,012</u> | <u>311,966</u> |
| Noncurrent Assets: | | | |
| Capital Assets (Note 3C): | | | |
| Land, Improvements, and | | | |
| Construction in Progress | -- | 58,641 | 58,641 |
| Other Capital Assets, Net of Depreciation | -- | 707,825 | 707,825 |
| Total Noncurrent Assets | <u>--</u> | <u>766,466</u> | <u>766,466</u> |
| Total Assets | <u>28,954</u> | <u>1,049,478</u> | <u>1,078,432</u> |
| <u>LIABILITIES</u> | | | |
| Current Liabilities: | | | |
| Accounts Payable and Accrued Expenses | -- | 51,741 | 51,741 |
| Unearned Revenue | -- | 1,057 | 1,057 |
| Total Liabilities | <u>--</u> | <u>52,798</u> | <u>52,798</u> |
| <u>NET ASSETS</u> | | | |
| Invested in Capital Assets, Net of Related Debt: | | | |
| Unrestricted | <u>28,954</u> | <u>230,214</u> | <u>259,168</u> |
| Total Net Assets | <u>\$ 28,954</u> | <u>\$ 996,680</u> | <u>\$ 1,025,634</u> |

CITY OF WAYNE, MICHIGAN
COMBINING SCHEDULE OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS
NONMAJOR COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2008

| | Parks and Recreation Foundation | Wayne Housing Commission | Total |
|-------------------------------------|---------------------------------------|--------------------------------|---------------------|
| Operating Revenues: | | | |
| Intergovernmental Revenue | \$ -- | \$ 328,810 | \$ 328,810 |
| Charges for Services | -- | 166,856 | 166,856 |
| Interest | 322 | 2,642 | 2,964 |
| Total Operating Revenues | <u>322</u> | <u>498,308</u> | <u>498,630</u> |
| Operating Expenses: | | | |
| Administrative | -- | 124,112 | 124,112 |
| Utility Expense | -- | 37,467 | 37,467 |
| Ordinary Maintenance | -- | 108,849 | 108,849 |
| General Expenses | -- | 29,662 | 29,662 |
| Depreciation Expense | -- | 103,678 | 103,678 |
| Other | 106 | -- | 106 |
| Total Operating Expenses | <u>106</u> | <u>403,768</u> | <u>403,874</u> |
| Operating Income | <u>216</u> | <u>94,540</u> | <u>94,756</u> |
| Non-Operating Revenues: | | | |
| Capital Contributions | <u>--</u> | <u>63,284</u> | <u>63,284</u> |
| Change in Net Assets | <u>216</u> | <u>157,824</u> | <u>158,040</u> |
| Total Net Assets, Beginning of Year | <u>28,738</u> | <u>838,856</u> | <u>867,594</u> |
| Total Net Assets, End of Year | <u>\$ 28,954</u> | <u>\$ 996,680</u> | <u>\$ 1,025,634</u> |

POST, SMYTHE, LUTZ & ZIEL OF WAYNE, LLP

Certified Public Accountants

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**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

October 28, 2008

To the City Council
3355 S. Wayne Road
Wayne, Michigan 48184

Compliance

We have audited the compliance of City of Wayne, Michigan, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. City of Wayne, Michigan's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of City of Wayne, Michigan's management. Our responsibility is to express an opinion on City of Wayne, Michigan's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Wayne, Michigan's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of City of Wayne, Michigan's compliance with those requirements.

In our opinion, City of Wayne, Michigan, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 08-03 and 08-04.

Internal Control Over Compliance

The management of City of Wayne, Michigan, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered City of Wayne, Michigan's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Wayne, Michigan's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

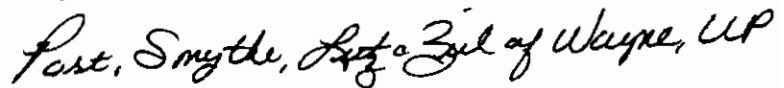
A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

City of Wayne, Michigan's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit City of Wayne, Michigan's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



POST, SMYTHE, LUTZ & ZIEL OF WAYNE, LLP
Certified Public Accountants

CITY OF WAYNE, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

| | Federal CFDA Number | Pass-Through Grantor's Number | Program or Award Amount | Accrued or (Deferred) Revenue July 1, 2007 |
|--|---------------------------|-------------------------------------|-------------------------------|---|
| <u>U.S. Department of Housing and Urban Development</u> | | | | |
| Pass through Wayne County | | | | |
| Community Development Block Grant | 14 218 | 91-31-P1-19 | \$ 68,227 | \$ (27,428) |
| Entitlement (MAJOR PROGRAM) | 14.218 | 06-31 | 172,000 | 33,787 |
| | 14 218 | 07-31 | 162,000 | -- |
| Total U.S. Department of Housing and Urban Development | | | <u>402,227</u> | <u>6,359</u> |
| <u>U.S. Department of Interior</u> | | | | |
| In Lieu of Taxes | 14.857 | | -- | -- |
| <u>U.S. Department of Justice</u> | | | | |
| 2006 Bulletproof Vest Partnership Grant Program | 16.607 | | 10,500 | -- |
| 2007 COPS Secure Our Schools | 16.710 | | 158,225 | -- |
| Pass through Michigan Family Independence Agency | | | | |
| 2007 Title V Juvenile Delinquency Prevention Grant | 16 540 | | 47,000 | 4,072 |
| Total U.S. Department of Justice | | | <u>215,725</u> | <u>4,072</u> |
| Pass through the State of Michigan: | | | | |
| <u>U.S. Department of Agriculture</u> | | | | |
| 2007 Arbor Day Mini Grant | 10,664 | #07-49 | 200 | 200 |
| <u>U.S. Department of the Interior</u> | | | | |
| Michigan Department of Natural Resources Development Project (MAJOR PROGRAM) | 15 916 | 26-01680 | 75,000 | -- |
| <u>U.S. Department of Justice</u> | | | | |
| Pass through Westland Police Department | | | | |
| 2007 Youth Alcohol Enforcement Grant | 16.727 | AL-07-42 | 24,978 | -- |
| 2008 Safe Communities: Underage Drinking Enforcement | 16.727 | JJ-08-03 | 30,750 | -- |
| Total U.S. Department of Justice through State of Michigan | | | <u>55,728</u> | <u>--</u> |
| <u>U.S. Department of Transportation</u> | | | | |
| 2007 HMEP Planning Grant | 20 703 | | 1,023 | -- |
| <u>U.S. Department of Education</u> | | | | |
| 2007 Safe and Drug Free Schools and Communities State Grant | 84.186A | | 40,000 | 10,178 |
| 2008 Safe and Drug Free Schools and Communities State Grant | 84.186A | | 40,000 | -- |
| Total U.S. Department of Education through State of Michigan | | | <u>80,000</u> | <u>10,178</u> |
| <u>U.S. Department of Homeland Security</u> | | | | |
| 2005 Homeland Security Grant - Urban Area Security Initiative Grant | 97.008 | | 27,590 | 9,261 |
| 2006 Homeland Security Grant - Urban Area Security Initiative Grant | 97 008 | | 9,704 | -- |
| Emergency Management - State and Local Assistance | | | | |
| 2007 Program Year | 97.042 | | 22,247 | 6,071 |
| 2008 Program Year | 97.042 | | 25,466 | -- |
| 2007 Department of Homeland Security FEMA (MAJOR PROGRAM) | 97.044 | | 34,296 | -- |
| Total U.S. Department of Homeland Security through State of Michigan | | | <u>119,303</u> | <u>15,332</u> |
| Total Federal Assistance | | | <u>\$ 949,206</u> | <u>\$ 36,141</u> |

Note: This schedule was prepared on the accrual basis of accounting except for the 2007-08 Receipts column

(1) 2007-08 program income receipts.

| 2007-2008 Receipts (Cash Basis) | 2007-2008 Adjustments | (Memo Only) 2006-2007 Expenditures | 2007-2008 Expenditures | Accrued or (Deferred) Revenue June 30, 2008 |
|---------------------------------------|--------------------------|--|---------------------------|--|
| \$ -- | \$ 40,799 (1) | \$ 55,018 | \$ 44,713 | \$ (23,514) |
| 135,554 | -- | 70,233 | 101,767 | -- |
| 26,666 | -- | -- | 58,647 | 31,981 |
| <u>162,220</u> | <u>40,799</u> | <u>125,251</u> | <u>205,127</u> | <u>8,467</u> |
| 33,301 | -- | 28,037 | 33,301 | -- |
| 580 | -- | 3,370 | 2,320 | 1,740 |
| -- | -- | -- | 63,395 | 63,395 |
| <u>31,114</u> | <u>--</u> | <u>19,712</u> | <u>27,042</u> | <u>--</u> |
| <u>31,694</u> | <u>--</u> | <u>23,082</u> | <u>92,757</u> | <u>65,135</u> |
| 200 | -- | 200 | -- | -- |
| -- | -- | -- | 75,000 | 75,000 |
| 9,889 | -- | -- | 9,889 | -- |
| -- | -- | -- | 3,596 | 3,596 |
| <u>9,889</u> | <u>--</u> | <u>--</u> | <u>13,485</u> | <u>3,596</u> |
| 1,023 | -- | 964 | 1,023 | -- |
| 20,914 | -- | 23,275 | 10,736 | -- |
| 25,787 | -- | -- | 28,552 | 2,765 |
| <u>46,701</u> | <u>--</u> | <u>23,275</u> | <u>39,288</u> | <u>2,765</u> |
| 27,307 | -- | 9,261 | 18,046 | -- |
| 707 | -- | -- | 9,704 | 8,997 |
| 22,247 | -- | 6,071 | 16,176 | -- |
| -- | -- | -- | 19,099 | 19,099 |
| 4,836 | -- | -- | 34,296 | 29,460 |
| <u>55,097</u> | <u>--</u> | <u>15,332</u> | <u>97,321</u> | <u>57,556</u> |
| <u>\$ 340,125</u> | <u>\$ 40,799</u> | <u>\$ 216,141</u> | <u>\$ 557,302</u> | <u>\$ 212,519</u> |

CITY OF WAYNE, MICHIGAN
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008
Page 1 of 5

Section 1 - Summary of Auditor's Results

Financial Statements

| | | | |
|---|-------------|----------|---------------|
| Type of auditor's report issued: | Unqualified | | |
| Internal control over financial reporting: | | | |
| Material weakness(es) identified? | Yes | X | No |
| Significant deficiency(ies) identified not considered to be material weaknesses? | X | Yes | None Reported |
| Noncompliance material to financial statements noted? | --- | Yes | X No |

Federal Awards

| | | | |
|---|-----------------|-----------------|---------------|
| Internal control over major programs: | | | |
| Material weakness(es) identified? | Yes | <u>X</u> | No |
| Significant deficiency(ies) identified not considered to be material weaknesses? | <u>X</u> | Yes | None Reported |

Type of auditor's report issued on compliance
for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in
accordance with Circular A-133, Section .510(a)?

----- Yes **X** No

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|--|
| 14.218 | Community Development Block Grant |
| 15.916 | Michigan Department of Natural Resources Development Project |
| 97.044 | 2007 U.S. Department of <u>Homeland Security</u> FEMA |

Dollar threshold used to distinguish
between Type A and Type B programs

\$ 300,000

Auditee qualified as low-risk auditee?

----- Yes **X** No

CITY OF WAYNE, MICHIGAN
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008
Page 2 of 5

Section II - Financial Statement Audit Findings

| <u>Reference Number</u> | <u>Findings</u> |
|-----------------------------|---|
| 08-01 | <p>Finding Type - Significant deficiency</p> <p>Criteria - It is management's intention to provide us with a complete and accurate trial balance ready for audit in accordance with generally accepted accounting principles.</p> <p>Condition - During the audit, it was necessary to post certain accrual entries for the financial statements to be stated in accordance with generally accepted accounting principles.</p> <p>Context - Historically, the City's auditors have recommended various accrual journal entries as part of the audit. During the audit the Finance Department provides analytical workpapers as a basis for the identification and posting of accrual adjustments. As stated in Statement on Auditing Standards (SAS) No. 112, these type of entries generated by the auditors are considered to be a significant deficiency.</p> <p>Cause - The enactment of Statement on Auditing Standards (SAS) No. 112 has impacted the interaction between the auditors and the City Finance Department.</p> <p>Effect - The trial balance presented for audit included account balances which were not adjusted for accrual entries and therefore were not in accordance with generally accepted accounting principles.</p> <p>Recommendation - The City should extend procedures to include the posting of accrual adjustments rather than providing analytical workpapers to the auditors as a basis for the identification and posting of accrual adjustments during the audit.</p> <p>View of Responsible Officials and Planned Corrective Actions - The City will extend procedures to include posting of accrual adjustments to the trial balance as presented for audit.</p> |

CITY OF WAYNE, MICHIGAN
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008
Page 3 of 5

Section II - Financial Statement Audit Findings (Continued)

| <u>Reference Number</u> | <u>Findings</u> |
|-----------------------------|--|
| 08-02 | <p>Finding Type - Significant deficiency</p> <p>Criteria - Payroll should be reviewed and authorized by someone independent of the payroll preparation prior to sending the checks to the Department Heads for distribution.</p> <p>Condition - There is no review and authorization of the payroll prior to sending payroll checks to Department Heads for distribution to employees.</p> <p>Context - The City relies extensively on layers of authorization from Department Heads to Human Resources to the City Manager and upon monitoring of expenditure detail within the departmental budgets. However, no procedure for review and authorization is in place prior to sending the checks to Department Heads for distribution to employees.</p> <p>Cause - The City has not established procedures for review and authorization prior to sending payroll checks to Department Heads for distribution.</p> <p>Effect - The City's payroll could possibly contain errors or omissions at the time checks are distributed to employees requiring correction at a later date.</p> <p>Recommendation - The City should have someone from the Personnel Department or the Finance Department review and authorize the biweekly payroll reports with signature prior to sending payroll checks to Department Heads for distribution to employees.</p> <p>View of Responsible Officials and Planned Corrective Actions - The City has implemented a review and authorization procedure within the Finance Department prior to sending the payroll checks to Department Heads for distribution to employees.</p> |

CITY OF WAYNE, MICHIGAN
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008
Page 4 of 5

Section III - Federal Program Audit Findings

| <u>Reference Number</u> | <u>Findings</u> |
|-----------------------------|--|
| 08-03 | <p>Finding Type - Significant deficiency</p> <p>Criteria - The City is prohibited from entering into contracts exceeding \$25,000 with parties who are suspended or debarred by the General Services Administration.</p> <p>Condition - The City did not review the Excluded Parties List System as maintained by the General Services Administration prior to entering contracts for improvements to Soroptomist Park.</p> <p>Context - During the audit of the federal grant through the Michigan Department of Natural Resources Development Project, it was noted that the City did not review the available web site containing the Excluded Parties List System.</p> <p>Cause - The City used the signed grant agreement as a guideline to comply with the requirements necessary to obtain Federal funding, which did not include the above requirement.</p> <p>Effect - There was no effect. A check of the web site disclosed that the parties contracting with the City were not included on this list.</p> <p>Recommendation - The City should review the web site at www.epls.arnet.com to determine whether parties are suspended or debarred prior to entering any future contracts exceeding \$25,000.</p> <p>View of Responsible Officials and Planned Corrective Actions - The City will review the Excluded Parties List System prior to entering contracts exceeding \$25,000 which are to be funded through federal grant funds.</p> |

CITY OF WAYNE, MICHIGAN
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008
Page 5 of 5

Section III - Federal Program Audit Findings

| <u>Reference Number</u> | <u>Findings</u> |
|-----------------------------|---|
| 08-04 | <p>Finding Type - Significant deficiency</p> <p>Criteria - The City is required to have a written policy pertaining to ethical conduct in its business practices.</p> <p>Condition - The City has always required strict adherence to ethical conduct in its business practices; however, there is no written policy.</p> <p>Context - During the audit it was noted that the City did not have a written policy pertaining to ethical conduct in its business practices.</p> <p>Cause - The City used the signed grant agreements as a guideline to comply with the requirements necessary to obtain Federal funds which did not include the above requirement.</p> <p>Effect - There was no effect. There is no evidence of unethical business practices.</p> <p>Recommendation - The City should have the City Council approve an amendment to the City's policies and procedures to include the prescribed policy with regard to ethical conduct in its business practices.</p> <p>View of Responsible Officials and Planned Corrective Actions - The City will obtain approval from the City Council for an addition to the City's policies and procedures covering ethical conduct in its business practices.</p> |

**CITY OF WAYNE, MICHIGAN
FY 2007-08 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION**

This part of the City of Wayne's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

The statistical section is organized into the following main categories:

Financial Trends:

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity:

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity:

These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information:

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information:

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources:

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement 34 in fiscal year 2002; schedules presenting government-wide information include information beginning in that year.

Schedule 1

**CITY OF WAYNE, MICHIGAN
NET ASSETS BY COMPONENT
LAST FIVE FISCAL YEARS
(accrual basis of accounting)**

| | Fiscal Year | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| | <u>6/30/2004</u> | <u>6/30/2005</u> | <u>6/30/2006</u> | <u>6/30/2007</u> | <u>6/30/2008</u> |
| Governmental Activities | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$20,560,599 | \$19,556,507 | \$19,666,330 | \$20,540,845 | \$21,524,982 |
| Restricted For: | | | | | |
| Capital Projects | 22,978 | - | - | - | - |
| Debt Service | 161,502 | 572,166 | 208,709 | 34,826 | 35,254 |
| Cemetery Perpetual Care (Nonexpendable) | 289,360 | 301,430 | 309,530 | 315,818 | 326,975 |
| Other Purposes | 155,900 | 39,773 | 40,707 | 124,298 | 130,969 |
| Unrestricted | 4,985,923 | 6,315,244 | 5,764,424 | 6,857,926 | 7,194,543 |
| Total Governmental Activities Net Assets | <u>\$26,176,262</u> | <u>\$26,785,120</u> | <u>\$25,989,700</u> | <u>\$27,873,713</u> | <u>\$29,212,723</u> |
| Business-type Activities | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$16,140,973 | \$ 9,409,901 | \$ 8,039,305 | \$ 7,892,274 | \$10,862,019 |
| Restricted For: | | | | | |
| Debt Service | 32,666 | 469,337 | 493,827 | 761,949 | 702,585 |
| Other Purposes | 16,676 | 7,822,560 | 17,487 | 18,312 | 18,997 |
| Unrestricted | 289,049 | (1,023,412) | 8,364,626 | 8,045,871 | 5,429,550 |
| Total Business-type Activities Net Assets | <u>\$16,479,364</u> | <u>\$16,678,386</u> | <u>\$16,915,245</u> | <u>\$16,718,406</u> | <u>\$17,013,151</u> |
| Primary Government | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$36,701,572 | \$28,966,408 | \$27,705,635 | \$28,433,119 | \$32,387,001 |
| Restricted For: | | | | | |
| Capital Projects | 22,978 | - | - | - | - |
| Debt Service | 194,168 | 1,041,503 | 702,536 | 796,775 | 737,839 |
| Cemetery Perpetual Care (Nonexpendable) | 289,360 | 301,430 | 309,530 | 315,818 | 326,975 |
| Other Purposes | 172,576 | 7,862,333 | 58,194 | 142,610 | 149,966 |
| Unrestricted | 5,274,972 | 5,291,832 | 14,129,050 | 14,903,797 | 12,624,093 |
| Total Primary Government Net Assets | <u>\$42,655,626</u> | <u>\$43,463,506</u> | <u>\$42,904,945</u> | <u>\$44,592,119</u> | <u>\$46,225,874</u> |

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

Schedule 2

**CITY OF WAYNE, MICHIGAN
CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS
(accrual basis of accounting)**

| | Fiscal Year | | | | |
|--|----------------|----------------|----------------|----------------|----------------|
| | 8/30/2004 | 6/30/2005 | 6/30/2006 | 6/30/2007 | 6/30/2008 |
| Expenses | | | | | |
| Governmental Activities | | | | | |
| General Government | \$ 1,395,603 | \$ 1,459,658 | \$ 1,620,206 | \$ 1,784,943 | \$ 1,970,019 |
| District Court | 829,354 | 631,444 | 696,509 | 734,204 | 692,771 |
| Public Safety | 5,919,479 | 6,492,067 | 7,170,258 | 7,191,088 | 7,313,360 |
| Public Services | 3,676,049 | 4,078,722 | 4,399,407 | 3,796,078 | 4,341,996 |
| Health and Welfare | - | - | - | - | 251,325 |
| Community and Economic Development | - | - | - | 84,557 | 156,836 |
| Recreation and Culture | 3,642,436 | 3,820,077 | 4,117,168 | 3,931,113 | 3,720,896 |
| Other Functions | 374,697 | 505,806 | 286,105 | - | - |
| Interest on Long-Term Debt | 1,050,208 | 1,024,263 | 986,641 | 950,719 | 917,236 |
| Total Governmental Activities Expenses | 16,688,026 | 18,011,837 | 19,276,294 | 18,472,702 | 19,364,439 |
| Business-type Activities: | | | | | |
| Water and Sewer | 5,997,764 | 8,560,553 | 6,746,928 | 7,887,619 | 7,668,953 |
| Total Primary Government Expenses | \$ 22,685,790 | \$ 24,572,390 | \$ 26,023,222 | \$ 26,360,321 | \$ 27,033,392 |
| Program Revenues (see schedule 3) | | | | | |
| Governmental Activities: | | | | | |
| Charges For Services | \$ 2,809,692 | \$ 3,618,860 | \$ 3,483,626 | \$ 3,560,915 | \$ 3,554,150 |
| Operating Grants and Contributions | 1,847,752 | 2,007,736 | 2,046,264 | 3,504,063 | 2,572,724 |
| Capital Grants and Contributions | 194,964 | 664,046 | 306,791 | 315,996 | 699,149 |
| Total Governmental Activities Program Revenues | 4,852,408 | 6,290,642 | 5,836,681 | 7,380,974 | 6,826,023 |
| Business-type Activities: | | | | | |
| Charges For Services | 6,374,149 | 6,585,127 | 6,678,626 | 7,176,085 | 7,522,303 |
| Total Primary Government Program Revenues | \$ 11,226,557 | \$ 12,875,769 | \$ 12,515,307 | \$ 14,557,059 | \$ 14,448,326 |
| Net (Expense)/Revenue | | | | | |
| Governmental Activities | \$(11,835,618) | \$(11,721,195) | \$(13,439,613) | \$(11,091,728) | \$(12,538,416) |
| Business-type Activities | 376,385 | 24,574 | (68,302) | (711,534) | (46,650) |
| Total Primary Government Net Expense | \$(11,459,233) | \$(11,696,621) | \$(13,507,915) | \$(11,803,262) | \$(12,585,066) |
| General Revenues and Other Changes in Net Assets | | | | | |
| Governmental Activities: | | | | | |
| Taxes | | | | | |
| Property taxes, levied for general purposes | \$ 6,762,001 | \$ 7,440,643 | \$ 7,892,987 | \$ 7,900,632 | \$ 8,446,185 |
| Property taxes, levied for debt service | 412,120 | 276 | 73 | 12 | 428 |
| Property taxes, levied for refuse | 984,205 | 998,728 | 1,067,776 | 1,107,497 | 981,983 |
| Property taxes, levied for library | 588,682 | 597,370 | 638,657 | 652,415 | 666,869 |
| Property taxes, levied for road program | - | - | - | - | 664,781 |
| Cable Franchise Fee | 170,606 | 175,338 | 173,448 | 187,644 | 198,243 |
| Investment Earnings | 161,454 | 230,104 | 534,470 | 616,207 | 676,563 |
| Grants and Contributions not restricted to specific programs | 2,325,070 | 2,242,568 | 2,213,555 | 2,191,590 | 2,140,437 |
| Miscellaneous | 577,845 | 489,557 | 123,227 | 109,737 | 101,957 |
| Special Item-Gain on Sale of Land | 125,570 | 165,214 | - | - | - |
| Total Governmental Activities | 12,107,553 | 12,319,798 | 12,644,193 | 12,975,734 | 13,877,426 |
| Business-type Activities: | | | | | |
| Investment Earnings | 25,421 | 174,448 | 305,161 | 514,695 | 341,395 |
| Total Primary Government | \$ 12,132,974 | \$ 12,494,246 | \$ 12,949,354 | \$ 13,490,429 | \$ 14,218,821 |
| Change in Net Assets | | | | | |
| Governmental Activities | \$ 271,935 | \$ 598,603 | \$ (795,420) | \$ 1,884,006 | \$ 1,339,010 |
| Business-type Activities | 401,806 | 199,022 | 236,859 | (196,839) | 294,745 |
| Total Primary Government | \$ 673,741 | \$ 797,625 | \$ (558,561) | \$ 1,687,167 | \$ 1,633,755 |

Schedule 3

**CITY OF WAYNE, MICHIGAN
PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST FIVE FISCAL YEARS
(accrual basis of accounting)**

| | Program Revenues | | | | |
|----------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | <u>6/30/2004</u> | <u>6/30/2005</u> | <u>6/30/2006</u> | <u>6/30/2007</u> | <u>6/30/2008</u> |
| Function/Program | | | | | |
| Governmental Activities | | | | | |
| General Government | \$ 224,151 | \$ 532,747 | \$ 202,334 | \$ 402,241 | \$ 671,215 |
| District Court | 457,277 | 566,651 | 596,535 | 688,739 | 745,113 |
| Public Safety | 847,165 | 1,037,315 | 950,692 | 1,034,209 | 1,150,218 |
| Public Services | 1,630,666 | 1,958,438 | 1,880,472 | 3,440,088 | 2,192,340 |
| Health and Welfare | - | - | - | - | 86,474 |
| Community and | | | | | |
| Economic Development | - | - | - | 84,661 | 180,753 |
| Recreation and Culture | 1,412,799 | 1,767,523 | 1,799,649 | 1,731,036 | 1,799,910 |
| Other Functions | 280,350 | 427,968 | 406,999 | - | - |
| Subtotal Governmental Activities | <u>4,852,408</u> | <u>6,290,642</u> | <u>5,836,681</u> | <u>7,380,974</u> | <u>6,826,023</u> |
| Business-type Activities: | | | | | |
| Water and Sewer | 6,374,149 | 6,585,127 | 6,678,626 | 7,176,085 | 7,622,303 |
| Total Primary Government | <u>\$11,226,557</u> | <u>\$12,875,769</u> | <u>\$12,515,307</u> | <u>\$14,557,059</u> | <u>\$14,448,326</u> |

Schedule 4

**CITY OF WAYNE, MICHIGAN
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

| | Fiscal Year | | | |
|------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | <u>6/30/1999</u> | <u>6/30/2000</u> | <u>6/30/2001</u> | <u>6/30/2002</u> |
| General Fund | | | | |
| Reserved | \$ 84,216 | \$ 117,059 | \$ 372,327 | \$ 287,851 |
| Unreserved | 1,349,684 | 1,178,140 | 888,220 | 426,327 |
| Total General Fund | <u>\$ 1,433,900</u> | <u>\$ 1,295,199</u> | <u>\$ 1,260,547</u> | <u>\$ 714,178</u> |
| All Other Governmental Funds | | | | |
| Reserved | \$ 487,055 | \$ 506,649 | \$ 510,581 | \$ 538,659 |
| Unreserved, Reported In: | | | | |
| Major Street and Trunkline Fund | 253,470 | 515,906 | 486,304 | 358,526 |
| Local Street Fund | 122,822 | 170,762 | 4,437 | 22,015 |
| Building Authority Fund | 24,890 | - | 1,493,532 *** | 5,057,226 |
| Special Revenue Funds | 859,563 | 1,009,426 | 1,068,237 | 582,013 |
| Capital Projects Funds | 409,453 | 323,592 | 225,910 | 16,991 |
| Total All Other Governmental Funds | <u>\$ 2,157,253</u> | <u>\$ 2,526,335</u> | <u>\$ 3,789,001</u> | <u>\$ 6,575,430</u> |

Note:

*For fiscal year 6/30/03 the unreserved fund balance increased to comply with Interpretation #6, "Recognition & Measurement of certain liabilities and expenditures in Governmental Fund Financial Statements" dated March 2000. Previously, the City of Wayne recorded compensated absences as a liability. With this Interpretation, the City of Wayne is now recording any compensated absence that is not used within the first sixty days after the fiscal year as a designated fund balance.

**Based on clarification from the Government Finance Officers Association, upon implementation of Governmental Accounting Standards Board Statement #34, governmental funds should report a liability for accrued compensated absences only in connection with employees terminated as of the financial statement date.

***Beginning in fiscal year 6/30/01, the City of Wayne bonded for the renovation and construction of a DPW Building, Fire Station and Police Station.

Schedule 4

**CITY OF WAYNE, MICHIGAN
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

| Fiscal Year | | | | | |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <u>6/30/2003</u> | <u>6/30/2004</u> | <u>6/30/2005</u> | <u>6/30/2006</u> | <u>6/30/2007</u> | <u>6/30/2008</u> |
| \$ 238,623 | \$ 200,102 | \$ 50,614 | \$ 74,556 | \$ 136,978 | \$ 154,693 |
| 1,276,798 * | 1,493,064 | 1,366,880 | 1,502,761 | 2,051,417 ** | 2,138,661 ** |
| <u>\$ 1,515,421</u> | <u>\$ 1,693,166</u> | <u>\$ 1,417,494</u> | <u>\$ 1,577,317</u> | <u>\$ 2,188,395</u> | <u>\$ 2,293,354</u> |
| | | | | | |
| \$ 448,011 | \$ 475,431 | \$ 874,419 | \$ 801,763 | \$ 577,477 | \$ 532,073 |
| 309,001 | 535,227 | 413,455 | 309,356 | 341,552 | 94,490 |
| 258,295 | 294,311 | 402,434 | 409,512 | 530,135 | 437,654 |
| 8,665,151 | 2,128,732 | - | - | - | - |
| 395,686 | 362,935 | 313,165 | 339,964 | 665,019 | 903,186 |
| 191,523 | 228,708 | 786,865 | 368,831 | 282,882 | 190,712 |
| <u>\$10,267,667</u> | <u>\$ 4,025,344</u> | <u>\$ 2,790,338</u> | <u>\$ 2,229,426</u> | <u>\$ 2,397,065</u> | <u>\$ 2,158,115</u> |

Schedule 5

**CITY OF WAYNE, MICHIGAN
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

| | Fiscal Year | | | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | <u>6/30/1999</u> | <u>6/30/2000</u> | <u>6/30/2001</u> | <u>6/30/2002</u> |
| Revenues | | | | |
| Taxes | \$ 7,455,396 | \$ 7,454,674 | \$ 7,570,819 | \$ 7,804,024 |
| Licenses and Permits | 245,981 | 348,848 | 325,505 | 309,535 |
| Intergovernmental | 4,412,112 | 4,605,751 | 5,247,997 | 4,555,948 |
| Special Assessments | 83,526 | 59,721 | 53,704 | 53,095 |
| Charges for Services | 1,371,385 | 1,635,969 | 1,874,937 | 2,034,338 |
| Fines and Forfeits | 605,055 | 589,405 | 457,107 | 428,463 |
| Interest and Rents | 450,434 | 609,513 | 636,802 | 305,668 |
| Other | 3,796,733 | 4,001,133 | 4,438,873 | 4,165,724 |
| Total Revenues | <u>18,420,622</u> | <u>19,305,014</u> | <u>20,605,544</u> | <u>19,656,795</u> |
| Expenditures | | | | |
| General Government | 1,873,684 | 1,963,230 | 2,185,473 | 2,633,884 |
| District Court | 632,846 | 658,220 | 726,848 | 759,134 |
| Public Safety | 6,227,098 | 6,147,276 | 6,594,542 | 7,344,555 |
| Public Services | 3,446,613 | 3,354,376 | 3,766,076 | 3,738,849 |
| Health and Welfare | - | - | - | - |
| Community and Economic Development | - | - | - | - |
| Recreation and Culture | 3,954,833 | 4,133,517 | 4,440,841 | 4,730,655 |
| Other Functions | 710,547 | 1,076,813 | 949,224 | 579,300 |
| Capital Outlay | 2,089,264 | 56,625 | 1,413,308 | 2,483,844 |
| Debt Service | | | | |
| Principal | 520,000 | 535,000 | 580,000 | 605,000 |
| Interest and Paying Agent Fees | 469,820 | 545,962 | 482,562 | 517,530 |
| Total Expenditures | <u>19,924,705</u> | <u>18,471,019</u> | <u>21,138,874</u> | <u>23,392,751</u> |
| Excess of Revenues over (under) Expenditures | (1,504,083) | 833,995 | (533,330) | (3,735,956) |
| Other Financing Sources (Uses) | | | | |
| Intergovernmental Expenditures | - | - | - | - |
| Financing Proceeds | 1,800,000 | 913,363 | 1,477,815 | 5,935,000 |
| Discount on Bond Proceeds | - | - | - | (88,928) |
| Transfers In | 2,607,245 | 3,327,156 | 3,305,923 | 3,669,618 |
| Transfers Out | (2,782,400) | (3,954,252) | (3,339,864) | (3,539,674) |
| Proceeds from Sale of Capital Assets | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>1,624,845</u> | <u>286,267</u> | <u>1,443,874</u> | <u>5,976,016</u> |
| Net Change in Fund Balances | <u>\$ 120,762</u> | <u>\$ 1,120,262</u> | <u>\$ 910,544</u> | <u>\$ 2,240,060</u> |
| Debt Service as a Percentage of Noncapital Expenditures | | | | |
| | 5.5% | 5.9% | 5.4% | 5.4% |

*In Fiscal Year Ended June 30, 2007, the City of Wayne reclassified items reported as Other Functions to more specific categories, General Government, Public Services and Community and Economic Development, as prescribed by the Michigan Department of Treasury Uniform Chart of Accounts for Local Governments.

Schedule 5

**CITY OF WAYNE, MICHIGAN
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

| Fiscal Year | | | | | |
|----------------------------|------------------------------|------------------------------|----------------------------|--------------------------|----------------------------|
| <u>6/30/2003</u> | <u>6/30/2004</u> | <u>6/30/2005</u> | <u>6/30/2006</u> | <u>6/30/2007</u> | <u>6/30/2008</u> |
| \$ 8,094,626 | \$ 8,732,052 | \$ 8,951,251 | \$ 9,543,907 | \$ 9,851,025 | \$ 10,803,172 |
| 391,248 | 438,956 | 710,557 | 394,836 | 353,982 | 374,632 |
| 4,285,622 | 4,107,655 | 4,679,915 | 4,211,061 | 3,866,286 | 3,850,020 |
| 53,095 | 53,095 | - | - | - | - |
| 1,987,563 | 1,857,038 | 2,042,925 | 2,188,974 | 2,193,777 | 2,213,713 |
| 539,933 | 497,099 | 537,940 | 547,108 | 604,832 | 646,418 |
| 237,751 | 169,910 | 229,464 | 520,653 | 619,353 | 651,786 |
| 4,960,888 | 5,489,940 | 5,918,051 | 6,183,839 | 8,010,137 | 7,021,290 |
| <u>20,550,726</u> | <u>21,345,745</u> | <u>23,070,103</u> | <u>23,590,378</u> | <u>25,499,392</u> | <u>25,561,031</u> |
| 2,486,997 | 2,294,811 | 2,414,161 | 2,536,374 | 2,825,561 | 3,005,233 |
| 814,606 | 830,879 | 829,451 | 920,844 | 982,044 | 916,263 |
| 7,339,876 | 7,839,556 | 8,424,863 | 8,837,413 | 9,340,255 | 9,372,379 |
| 3,600,491 | 3,651,888 | 3,973,550 | 4,190,603 | 3,838,817 | 4,296,430 |
| - | - | - | - | - | 251,325 |
| - | - | - | - | 84,557 | 156,836 |
| 4,298,500 | 4,010,254 | 4,135,192 | 4,487,355 | 4,309,503 | 4,019,685 |
| 527,856 | 357,196 | 490,880 | 258,577 | - | - |
| 4,120,353 | 6,977,819 | 2,802,360 | 1,418,154 | 2,078,282 | 1,703,213 |
| 605,000 | 605,000 | 685,000 | 635,000 | 720,000 | 785,000 |
| 762,850 | 1,044,625 | 1,020,364 | 984,348 | 949,833 | 912,824 |
| <u>24,556,529</u> | <u>27,612,028</u> | <u>24,775,821</u> | <u>24,268,668</u> | <u>25,128,852</u> | <u>25,419,188</u> |
| (4,005,803) | (6,266,283) | (1,705,718) | (678,290) | 370,540 | 141,843 |
| - | - | - | - | - | (63,395) |
| 7,500,000 | - | 149,900 | 286,138 | 114,731 | 22,637 |
| (71,325) | - | - | - | - | - |
| 3,729,748 | 2,946,673 | 4,358,310 | 3,058,930 | 3,172,703 | 3,995,688 |
| (3,404,596) | (3,055,330) | (4,458,310) | (3,178,608) | (3,222,703) | (4,235,688) |
| 246,831 | 310,362 | 134,884 | 110,741 | 5,068 | 4,923 |
| <u>8,000,658</u> | <u>201,705</u> | <u>184,784</u> | <u>277,201</u> | <u>69,799</u> | <u>(275,835)</u> |
| <u>\$ 3,994,855</u> | <u>\$ (6,064,578)</u> | <u>\$ (1,520,934)</u> | <u>\$ (401,089)</u> | <u>\$ 440,339</u> | <u>\$ (133,992)</u> |
| 6.7% | 8.0% | 7.8% | 7.1% | 7.2% | 7.2% |

Schedule 6

**CITY OF WAYNE, MICHIGAN
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

| <u>Fiscal Year</u> | <u>Residential Property</u> | <u>Commercial Property</u> | <u>Industrial Property</u> | <u>Personal Property</u> | <u>Total Assessed Value</u> |
|-------------------------------|--|---------------------------------------|---------------------------------------|-------------------------------------|--|
| 1999 | 195,236,940 | 50,546,310 | 73,527,620 | 105,025,110 | 424,335,980 |
| 2000 | 214,547,280 | 52,064,210 | 76,028,310 | 103,512,300 | 446,152,100 |
| 2001 | 235,661,756 | 58,448,675 | 78,691,700 | 105,635,000 | 478,437,131 |
| 2002 | 261,875,005 | 70,310,070 | 80,432,930 | 128,045,000 | 540,663,005 |
| 2003 | 286,316,300 | 84,255,800 | 83,093,500 | 135,302,807 | 588,968,407 |
| 2004 | 311,415,916 | 82,146,200 | 93,761,000 | 161,009,300 | 648,332,416 |
| 2005 | 333,123,671 | 89,770,200 | 98,794,000 | 155,753,600 | 677,441,471 |
| 2006 | 350,856,196 | 95,827,400 | 99,889,200 | 180,042,200 | 726,614,996 |
| 2007 | 365,139,100 | 100,900,500 | 99,002,200 | 170,870,300 | 735,912,100 |
| 2008 | 371,771,000 | 100,324,700 | 94,475,200 | 162,265,600 | 728,836,500 |

Source: Wayne County Equalization Report

Schedule 6

**CITY OF WAYNE, MICHIGAN
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

| Less: Tax-Exempt <u>Property</u> | Total Taxable <u>Value</u> | Total Direct Tax <u>Rate</u> | Taxable Value as a Percentage of <u>Actual Value</u> |
|---|---|---|---|
| 21,403,687 | 402,932,293 | 19.7500 | 94.96% |
| 34,385,138 | 411,766,962 | 19.7500 | 92.29% |
| 51,482,184 | 426,954,947 | 19.7500 | 89.24% |
| 75,720,412 | 464,942,593 | 19.3780 | 85.99% |
| 97,076,242 | 491,892,165 | 19.3500 | 83.52% |
| 110,430,703 | 537,901,713 | 19.8700 | 82.97% |
| 124,432,953 | 553,008,518 | 19.8700 | 81.63% |
| 128,863,361 | 597,751,635 | 19.8700 | 82.27% |
| 131,805,533 | 604,106,567 | 19.8700 | 82.09% |
| 121,517,671 | 607,318,829 | 20.8700 | 83.33% |

Schedule 7

**CITY OF WAYNE MICHIGAN
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(RATE PER \$1,000 OF ASSESSED VALUE)**

| City of Wayne | | | | | | | | | | |
|------------------------|------------------|-------------------|----------------------|-------------------------|--|------------------------|---------------------------|---------------------------------|-----------------------|--------------|
| Fiscal Year | Operating | Retirement | CWCSA (1) | Debt Service | Refuse Disposal Act 298 | Library (2) | Recreation (3) | Road Program (4) | Police (5) | Total |
| 1999 | 14.5380 | 0.9620 | 0.4400 | 0.3900 | 1.4200 | 1.0000 | 1.0000 | -- | -- | 19.7500 |
| 2000 | 14.5380 | 0.9620 | 0.3720 | 0.3770 | 1.5010 | 1.0000 | 1.0000 | -- | -- | 19.7500 |
| 2001 | 14.5360 | 0.9620 | 0.3720 | 0.3837 | 1.4960 | 1.0000 | 1.0000 | -- | -- | 19.7497 |
| 2002 | 14.5360 | 0.9620 | -- | 0.3837 | 1.4960 | 1.0000 | 1.0000 | -- | -- | 19.3777 |
| 2003 | 14.5370 | 0.9620 | -- | 0.1800 | 1.6717 | 1.0000 | 1.0000 | -- | -- | 19.3507 |
| 2004 | 14.5365 | 0.9620 | -- | -- | 1.6717 | 0.9999 | 0.9999 | -- | 0.7000 | 19.8700 |
| 2005 | 14.5365 | 0.9620 | -- | -- | 1.6717 | 0.9999 | 0.9999 | -- | 0.7000 | 19.8700 |
| 2006 | 14.2365 | 0.9620 | -- | -- | 1.6717 | 0.9999 | 0.9999 | -- | 1.0000 | 19.8700 |
| 2007 | 14.2365 | 0.9620 | -- | -- | 1.6717 | 0.9999 | 0.9999 | -- | 1.0000 | 19.8700 |
| 2008 | 14.4365 | 0.9620 | -- | -- | 1.4717 | 0.9999 | 0.9999 | 1.0000 | 1.0000 | 20.8700 |

Source: Wayne County Equalization Report

Notes:

- (1) Central Wayne County Sanitation Authority. Expired after December 31, 2001.
- (2) Library millage levied in accordance with Michigan Public Act 164.
- (3) Voted one mill for Recreation.
- (4) Voted 1.0000 mill for Road Program on May 8, 2007 for 25 years.
- (5) Millage passed July 1, 2002, for 25 years.
- (6) Transit Authority millage passed on May 26, 1995, to partially fund public bus transportation.

Schedule 7

**CITY OF WAYNE MICHIGAN
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(RATE PER \$1,000 OF ASSESSED VALUE)**

| Wayne Westland Community Schools | State Education Tax | Intermediate School and Special Education | Wayne County Community College | Huron- Clinton Metro Park Authority | Wayne County Transit Authority (6) | Wayne County | Total All Rates Non PRE | PRE 100% Tax Credit | Total All Rates PRE |
|---|------------------------------------|--|---|--|---|-------------------------|--|------------------------------------|------------------------------------|
| 23.1400 | 6.0000 | 2.0000 | 1.1500 | 0.2300 | 0.3300 | 7.9400 | 60.5400 | (18.0000) | 42.5400 |
| 23.1400 | 6.0000 | 2.0000 | 1.0100 | 0.2200 | 0.3300 | 7.9100 | 60.3600 | (18.0000) | 42.3600 |
| 23.1400 | 6.0000 | 1.9800 | 1.0000 | 0.2200 | 0.3300 | 7.8500 | 60.2697 | (18.0000) | 42.2697 |
| 23.0000 | 6.0000 | 1.9700 | 2.5000 | 0.2200 | 0.3200 | 7.8500 | 61.2377 | (18.0000) | 43.2377 |
| 22.7000 | 6.0000 | 3.4600 | 2.4900 | 0.2200 | 0.6000 | 7.8200 | 62.6407 | (18.0000) | 44.6407 |
| 23.1300 | 5.0000 | 3.4643 | 2.4862 | 0.2161 | 0.5980 | 7.8220 | 62.5866 | (18.0000) | 44.5866 |
| 23.0922 | 6.0000 | 3.4643 | 2.4844 | 0.2154 | 0.5980 | 7.8220 | 63.5463 | (18.0000) | 45.5463 |
| 22.8422 | 6.0000 | 3.4643 | 2.4769 | 0.2146 | 0.5980 | 7.8220 | 63.2880 | (18.0000) | 45.2880 |
| 22.8322 | 6.0000 | 3.4643 | 2.4769 | 0.2146 | 0.5900 | 7.8220 | 63.2700 | (18.0000) | 45.2700 |
| 22.5122 | 6.0000 | 3.4643 | 2.4769 | 0.2146 | 0.5900 | 7.8220 | 63.9500 | (18.0000) | 45.9500 |

Schedule 8

CITY OF WAYNE, MICHIGAN
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

| <u>Taxpayer</u> | <u>Type of Business</u> | <u>2008</u> | | | <u>1999</u> | | |
|--|--|------------------------------|-------------|--|------------------------------|-------------|--|
| | | <u>Taxable Valuation</u> | <u>Rank</u> | <u>Percentage of Total Taxable Valuation</u> | <u>Taxable Valuation</u> | <u>Rank</u> | <u>Percentage of Total Taxable Valuation</u> |
| Ford Motor Company | Automobile and Truck Manufacturer | \$ 299,596,916 | 1 | 35.82% | \$ 219,738,980 | 1 | 43.30% |
| Russo Properties | Warehousing | 5,911,960 | 2 | 0.71% | 4,919,560 | 3 | 1.00% |
| Detroit Edison | Electric Utility | 5,624,211 | 3 | 0.67% | 5,732,674 | 2 | 1.10% |
| Metro Commerce Center | Warehousing | 4,665,000 | 4 | 0.56% | | | |
| Ringmasters MFG | Steel Rolled Ring Manufacturing | 4,317,559 | 5 | 0.52% | 3,530,052 | 5 | 0.70% |
| Westchester Towers Apts | Property Management | 2,731,613 | 6 | 0.33% | 2,445,410 | 7 | 0.50% |
| D.P. Service Corp | Residential Cooperative | 2,418,186 | 7 | 0.29% | | | |
| Hayman Company | Apartment | 2,082,132 | 8 | 0.25% | | | |
| Greyberry Apts of Wayne | Property Management | 2,078,534 | 9 | 0.25% | | | |
| State of Michigan/ Tae-Keuk Village | Multi-Residential | 1,950,787 | 10 | 0.23% | | | |
| Unistrut Corp | Manufacturing | | | | 4,993,817 | 4 | 1.00% |
| Associates Ltd Partnership | Warehousing | | | | 3,491,800 | 6 | 0.70% |
| Consumers Power | Utility | | | | 2,070,380 | 8 | 0.40% |
| Advanced Matanals Co. | Metal Forming/ Hardening Manufacturer | | | | 1,679,135 | 10 | 0.30% |
| Westwicke Square Sub-total | Residential Cooperative | <u>\$ 331,376,898</u> | | <u>39.62%</u> | <u>1,884,781</u> | 9 | <u>0.40%</u> |
| | | | | | <u>\$ 250,486,589</u> | | <u>49.40%</u> |
| Grand Total | | <u>\$ 836,381,873</u> | | | <u>\$ 506,976,085</u> | | |

Source: City of Wayne's assessment records.

Schedule 9

**CITY OF WAYNE, MICHIGAN
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

| Fiscal Year | Taxes Levied For The Fiscal Year | Collected Within The Fiscal Year Of The Levy | | Collections In Subsequent Years | Total Collections To Date | |
|------------------------|---|---|----------------------------|--|----------------------------------|----------------------------|
| | | Amount | Percent Of Levy | | Amount | Percent Of Levy |
| 1999 | \$ 7,871,281 | \$ 7,517,842 | 95.5% | \$ 299,309 | \$ 7,817,151 | 99.3% |
| 2000 | \$ 8,141,269 | \$ 7,816,741 | 96.0% | \$ 323,593 | \$ 8,140,334 | 100.0% |
| 2001 | \$ 8,406,199 | \$ 8,052,609 | 95.8% | \$ 288,967 | \$ 8,341,576 | 99.2% |
| 2002 | \$ 8,987,871 | \$ 8,584,191 | 95.5% | \$ 332,266 | \$ 8,916,457 | 99.2% |
| 2003 | \$ 9,507,974 | \$ 8,981,799 | 94.5% | \$ 434,298 | \$ 9,416,097 | 99.0% |
| 2004 | \$ 10,743,808 | \$ 10,239,046 | 95.3% | \$ 426,592 | \$ 10,665,638 | 99.3% |
| 2005 | \$ 11,044,398 | \$ 10,496,370 | 95.0% | \$ 545,319 | \$ 11,041,689 | 100.0% |
| 2006 | \$ 11,832,859 | \$ 11,261,119 | 95.2% | \$ 576,511 | \$ 11,837,630 | 100.0% |
| 2007 | \$ 11,976,954 | \$ 11,354,628 | 94.8% | \$ 659,505 | \$ 12,014,133 | 100.3% |
| 2008 | \$ 12,611,959 | \$ 11,326,459 | 89.8% | \$ 648,918 | \$ 11,975,377 | 95.0% |

Schedule 10

**CITY OF WAYNE, MICHIGAN
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

| <u>Fiscal Year</u> | <u>Governmental Activities</u> | | | <u>Business-type Activities</u> | <u>Total Primary Government</u> | <u>Percentage of Personal Income</u> | <u>Per Capita</u> |
|-------------------------------|--|---------------------------------|---------------------------------|--|--|---|------------------------------|
| | <u>General Obligation Bonds</u> | <u>Notes Payable</u> | <u>Capital Lease</u> | <u>Water Revenue Bonds</u> | | | |
| 1999 | \$ 9,905,000 | \$ - | \$ 21,079 | \$ 3,974,829 | \$ 13,900,908 | 0.2574% | 699 |
| 2000 | \$ 9,370,000 | \$ 858,466 | \$ 17,688 | \$ 3,849,829 | \$ 14,095,983 | 0.3292% | 740 |
| 2001 | \$ 10,290,000 | \$ 731,747 | \$ 26,084 | \$ 3,724,829 | \$ 14,772,660 | 0.3141% | 775 |
| 2002 | \$ 15,620,000 | \$ 827,616 | \$ 26,113 | \$ 3,560,000 | \$ 20,033,729 | 0.2316% | 1,052 |
| 2003 | \$ 22,515,000 | \$ 655,604 | \$ 12,401 | \$ 3,400,000 | \$ 26,583,005 | 0.1745% | 1,395 |
| 2004 | \$ 21,910,000 | \$ 482,466 | \$ 6,441 | \$ 3,380,000 | \$ 25,778,907 | 0.1800% | 1,353 |
| 2005 | \$ 21,225,000 | \$ 114,698 | \$ 149,900 | \$ 10,935,000 | \$ 32,424,598 | 0.1431% | 1,702 |
| 2006 | \$ 20,590,000 | \$ 342,851 | \$ 119,746 | \$ 10,610,000 | \$ 31,662,597 | 0.1465% | 1,662 |
| 2007 | \$ 19,870,000 | \$ 236,926 | \$ 294,653 | \$ 18,175,000 | \$ 38,576,579 | 0.1203% | 2,025 |
| 2008 | \$ 19,085,000 | \$ 169,843 | \$ 199,134 | \$ 17,630,000 | \$ 37,083,977 | 0.1251% | 1,947 |

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Schedule 11

**CITY OF WAYNE, MICHIGAN
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

| <u>Fiscal Year</u> | <u>General Obligation Bonds</u> | <u>Percentage of Actual Taxable Value of Property</u> | <u>Per Capita</u> |
|-------------------------------|--|--|------------------------------|
| 1999 | \$ 9,905,000 | 2.46% | \$ 497.76 |
| 2000 | \$ 9,370,000 | 2.28% | \$ 491.84 |
| 2001 | \$ 10,290,000 | 2.41% | \$ 540.13 |
| 2002 | \$ 15,620,000 | 3.36% | \$ 819.90 |
| 2003 | \$ 22,515,000 | 4.58% | \$ 1,181.83 |
| 2004 | \$ 21,910,000 | 4.07% | \$ 1,150.07 |
| 2005 | \$ 21,225,000 | 3.84% | \$ 1,114.11 |
| 2006 | \$ 20,590,000 | 3.44% | \$ 1,080.78 |
| 2007 | \$ 19,870,000 | 3.29% | \$ 1,042.99 |
| 2008 | \$ 19,085,000 | 3.14% | \$ 1,001.78 |

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Schedule 12

**CITY OF WAYNE, MICHIGAN
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2007**

| <u>Jurisdiction</u> | <u>Net Debt Outstanding</u> | <u>Percentage Debt Applicable To City</u> | <u>Estimated Share Of Overlapping Debt</u> |
|--------------------------------|--|--|---|
| City of Wayne | \$ 36,715,000 | 100.00% | \$ 36,715,000 |
| Wayne Westland School District | 79,070,000 | 22.08% | 17,458,656 |
| Wayne County | 132,276,900 | 1.15% | 1,521,184 |
| Wayne County Community College | <u>40,575,000</u> | <u>1.81%</u> | <u>734,408</u> |
| | <u>\$ 288,636,900</u> | | <u>\$ 56,429,248</u> |

Source: Debt outstanding data provided by Municipal Advisory Council of Michigan.

Schedule 13

**CITY OF WAYNE, MICHIGAN
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

| | <u>1999</u> | <u>2000</u> | <u>2001</u> | <u>2002</u> |
|---|----------------------|----------------------|----------------------|----------------------|
| Debt Limit | \$ 63,392,270 | \$ 65,436,167 | \$ 67,666,823 | \$ 72,982,221 |
| Total Net Debt Applicable to Limit | <u>9,693,520</u> | <u>9,139,260</u> | <u>8,741,428</u> | <u>14,656,128</u> |
| Legal Debt Margin | <u>\$ 53,698,750</u> | <u>\$ 56,296,907</u> | <u>\$ 58,925,395</u> | <u>\$ 58,326,093</u> |
| Total Net Debt Applicable To The Limit As a Percentage Of Debt Limit | 15.29% | 13.97% | 12.92% | 20.08% |

Source: City records

Schedule 13

**CITY OF WAYNE, MICHIGAN
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

| <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|
| \$ 74,949,913 | \$ 75,634,552 | \$ 76,832,387 | \$ 81,956,915 | \$ 96,949,830 | \$ 85,336,880 |
| <u>21,614,588</u> | <u>21,102,963</u> | <u>21,225,000</u> | <u>20,590,000</u> | <u>19,870,000</u> | <u>19,085,000</u> |
| <u><u>\$ 53,335,325</u></u> | <u><u>\$ 54,531,589</u></u> | <u><u>\$ 55,607,387</u></u> | <u><u>\$ 61,366,915</u></u> | <u><u>\$ 77,079,830</u></u> | <u><u>\$ 66,251,880</u></u> |
| 28.84% | 27.90% | 27.63% | 25.12% | 20.50% | 22.36% |
| 2007 State Equalized Valuation | | | | | \$ 728,836,500 |
| Plus Assessed Value Equivalent | | | | | |
| 2007 SEV of Act 198 | | | | | <u>124,532,300</u> |
| Total Valuation | | | | | <u><u>\$ 853,368,800</u></u> |
| Debt Limit (10% of State Equalized Valuation) | | | | | \$ 85,336,880 |
| Amount of Outstanding Debt | | | | | \$ 36,715,000 |
| Less: Water & Sewer Revenue Bonds | | | | | <u>(17,630,000)</u> |
| | | | | | <u>(19,085,000)</u> |
| LEGAL DEBT MARGIN | | | | | <u><u>\$ 66,251,880</u></u> |

Schedule 14

**CITY OF WAYNE, MICHIGAN
REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS**

| <u>Fiscal Year</u> | <u>Gross Revenue</u> | <u>Expenses, Net Of Depreciation And Interest</u> | <u>Net Revenue Available For Debt Service</u> | <u>Total Debt Service Requirements</u> | | | <u>Debt Service Coverage</u> |
|-------------------------------|---------------------------------|--|--|---|------------------------|---------------------|---|
| | | | | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | |
| 1999 | 5,034,177 | 4,278,950 | 755,227 | 169,260 | 199,128 | 368,388 | 2.05 |
| 2000 | 5,397,413 | 4,823,889 | 573,524 | 169,260 | 194,601 | 363,861 | 1.58 |
| 2001 | 5,355,109 | 4,917,395 | 437,714 | 169,260 | 189,441 | 358,701 | 1.22 |
| 2002 | 5,287,212 | 5,081,310 | 205,902 | 164,829 | 174,863 | 339,692 | 0.61 |
| 2003 | 6,020,010 | 5,304,423 | 715,587 | 160,000 | 169,079 | 329,079 | 2.17 |
| 2004 | 6,374,149 | 5,257,698 | 1,116,451 | 165,000 | 117,364 | 282,364 | 3.95 |
| 2005 | 6,585,127 | 5,478,441 | 1,106,686 | 195,000 | 428,729 | 623,729 | 1.77 |
| 2006 | 6,678,626 | 5,493,345 | 1,185,281 | 325,000 | 443,255 | 768,255 | 1.54 |
| 2007 | 7,176,085 | 6,635,899 | 540,186 | 340,000 | 435,507 | 775,507 | 0.70 |
| 2008 | 7,622,303 | 6,237,031 | 1,385,272 | 545,000 | 733,632 | 1,278,632 | 1.08 |

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements.
Operating expenses do not include interest or depreciation.

Schedule 15

**CITY OF WAYNE, MICHIGAN
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

| <u>Fiscal Year</u> | <u>Population</u> | <u>Personal Income</u> | <u>Per Capita Personal Income</u> | <u>Median Age</u> | <u>Unemployment Rate</u> |
|-------------------------------|--------------------------|-----------------------------------|--|------------------------------|-------------------------------------|
| 1999 | 19,899 | 35,777 | N/A | 32.2 | 3.9% |
| 2000 | 19,051 | 46,397 | 21,326 | 34.7 | 3.2% |
| 2001 | 19,051 | 46,397 | 21,326 | 34.7 | 3.8% |
| 2002 | 19,051 | 46,397 | 21,326 | 34.7 | 5.1% |
| 2003 | 19,051 | 46,397 | 21,326 | 34.7 | 6.0% |
| 2004 | 19,051 | 46,397 | 21,326 | 34.7 | 6.3% |
| 2005 | 19,051 | 46,397 | 21,326 | 34.7 | 6.7% |
| 2006 | 19,051 | 46,397 | 21,326 | 34.7 | 6.2% |
| 2007 | 19,051 | 46,397 | 21,326 | 34.7 | 6.3% |
| 2008 | 19,051 | 46,397 | 21,326 | 34.7 | 7.0% |

Sources: Population, Personal Income and Median Age from U.S. Census Bureau;
Unemployment Rates from Michigan Department of Labor & Economic Growth.
Unemployment Rates are the prior year averages. The June 2008 average was 8.4%.

Schedule 16

**CITY OF WAYNE, MICHIGAN
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

| | <u>2008</u> | | | <u>1999 **</u> | | |
|---------------------------------|------------------|-------------|--|------------------|-------------|--|
| | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment</u> |
| Ford Motor Company | 5,700 | 1 | 42.60% | | | |
| Wayne/Westland | | | | | | |
| Community Schools | 2,278 | 2 | 14.41% | | | |
| Annapolis Hospital | 900 | 3 | 6.73% | | | |
| Rush Trucking | 420 | 4 | 3.14% | | | |
| City of Wayne | 337 | 5 | 2.52% | | | |
| Wayne County Regional Education | | | | | | |
| Service Agency | 220 | 6 | 1.64% | | | |
| Wayne Community Living Services | 200 | 7 | 1.49% | | | |
| Great Lakes Waste | 141 | 8 | 1.05% | | | |
| Unistrut Corporation | 130 | 9 | 0.97% | | | |
| Jack Demmer Ford | 125 | 10 | 0.93% | | | |
| Environmental Quality | 63 | 11 | 0.47% | | | |
| Mark Chevrolet | 59 | 12 | 0.44% | | | |
| Northside True Value Hardware | 56 | 13 | 0.42% | | | |
| Wayne Industries | 48 | 14 | 0.36% | | | |
| Total City Employment* | 13,380 | | | | | |

*Source: Southeast Michigan Council of Governments and the City of Wayne's Community Development Department.

**Note: 1999 data not available; history will be built

Schedule 17

**CITY OF WAYNE, MICHIGAN
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

| Function/Program | <u>1999</u> | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <u>Full Time</u> | | | | | | | | | | |
| City Manager | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Finance | 8.00 | 8.00 | 7.00 | 8.00 | 8.00 | 7.00 | 7.00 | 8.00 | 8.00 | 8.00 |
| Clerk | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Personnel | 1.75 | 1.75 | 1.75 | 1.75 | 2.25 | 2.50 | 2.50 | 1.50 | 1.50 | 1.50 |
| MIS | 0.00 | 0.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Community Development | 4.00 | 4.00 | 4.00 | 5.00 | 5.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| District Court | 9.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| Police | 47.00 | 46.00 | 46.00 | 46.00 | 46.00 | 46.00 | 45.75 | 47.00 | 44.00 | 42.00 |
| Communications/Radio | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 8.00 | 8.00 |
| Animal Shelter | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Fire | 22.00 | 22.00 | 21.00 | 23.00 | 21.00 | 20.00 | 21.50 | 22.00 | 22.00 | 22.00 |
| Public Works | 29.25 | 29.25 | 32.25 | 33.25 | 27.75 | 26.50 | 27.75 | 29.50 | 30.50 | 29.50 |
| Building/Engineering | 9.00 | 9.00 | 10.00 | 10.00 | 9.00 | 7.00 | 7.00 | 8.00 | 8.00 | 8.00 |
| Public Housing | 2.00 | 2.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 2.00 | 2.00 |
| Parks & Recreation | 15.00 | 15.00 | 17.00 | 18.00 | 18.00 | 17.00 | 17.00 | 18.00 | 15.00 | 15.75 |
| Library | 3.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 5.00 | 5.00 | 5.00 |
| Subtotal Full Time | 164.00 | 165.00 | 171.00 | 177.00 | 169.00 | 162.00 | 164.50 | 171.00 | 164.00 | 161.75 |
| <u>Part Time</u> | | | | | | | | | | |
| Council | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 |
| Finance | 2.67 | 2.40 | 3.15 | 2.50 | 1.60 | 1.85 | 1.85 | 2.25 | 1.75 | 1.75 |
| Clerk | 1.20 | 1.20 | 1.20 | 1.20 | 0.60 | 0.00 | 0.25 | 0.50 | 0.00 | 0.34 |
| Personnel | 0.00 | 0.50 | 1.20 | 1.15 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Community Development | 1.30 | 0.50 | 0.50 | 0.00 | 0.25 | 0.00 | 0.00 | 0.50 | 0.00 | 0.00 |
| District Court | 0.67 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.43 | 1.55 |
| Police | 6.50 | 7.30 | 7.30 | 6.50 | 6.50 | 4.70 | 4.33 | 4.70 | 5.45 | 6.95 |
| Fire | 0.67 | 0.67 | 0.75 | 0.75 | 0.75 | 0.50 | 0.25 | 0.50 | 0.38 | 0.38 |
| Public Works | 8.20 | 8.20 | 6.00 | 5.65 | 3.25 | 2.19 | 2.94 | 3.36 | 1.74 | 3.24 |
| Building/Engineering | 2.97 | 3.25 | 1.93 | 2.15 | 1.23 | 1.10 | 2.32 | 3.64 | 3.08 | 2.96 |
| Public Housing | 1.30 | 1.60 | 0.80 | 0.80 | 0.80 | 0.75 | 0.75 | 0.75 | 1.50 | 1.50 |
| Parks & Recreation | 57.12 | 56.52 | 57.04 | 56.31 | 45.10 | 36.47 | 37.30 | 36.42 | 30.74 | 32.07 |
| Library | 8.64 | 7.64 | 7.74 | 8.24 | 7.17 | 7.31 | 6.92 | 6.77 | 6.29 | 8.71 |
| Museum | 0.50 | 0.80 | 0.50 | 0.50 | 0.20 | 0.20 | 0.15 | 0.25 | 0.25 | 0.25 |
| Subtotal Part Time | 98.74 | 97.58 | 95.11 | 92.75 | 74.45 | 62.07 | 64.06 | 66.64 | 59.61 | 64.70 |
| Total Full Time Equivalents | 262.74 | 262.58 | 266.11 | 269.75 | 243.45 | 224.07 | 228.56 | 237.64 | 223.61 | 226.45 |

Source: City of Wayne's annual budget

Schedule 18

**CITY OF WAYNE, MICHIGAN
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

| Function/Program | FISCAL YEAR | | | | | | | | | |
|-------------------------------|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Building/Engineering | | | | | | | | | | |
| Building Permits Issued | 610 | 608 | 587 | 593 | 601 | 700 | 662 | 701 | 563 | 564 |
| Police | | | | | | | | | | |
| Arrests | 2,601 | 2,233 | 1,957 | 2,146 | 2,309 | 1,975 | 2,125 | 2,092 | 1,678 | 1,323 |
| Parking Violations | 1,854 | 1,432 | 1,325 | 1,589 | 1,419 | 990 | 1,373 | 922 | 1,012 | 1,364 |
| Traffic/Ord Violations | 7,572 | 7,732 | 5,493 | 5,104 | 5,795 | 4,456 | 5,562 | 5,384 | 6,711 | 6,933 |
| Fire | | | | | | | | | | |
| Fires* | 527 | 509 | 425 | 510 | 621 | 516 | 489 | 460 | 528 | 545 |
| Rescues* | 1,810 | 1,729 | 1,837 | 1,786 | 1,886 | 1,916 | 1,913 | 2,011 | 2,044 | 1,940 |
| Refuse Collection | | | | | | | | | | |
| Rubbish Collected (Tons) | 7,994 | 8,043 | 6,531 | 6,490 | 7,993 | 6,478 | 8,678 | 7,267 | 7,884 | 7,453 |
| Compost Collected (Tons) | 1,256 | 1,206 | 810 | 823 | 1,372 | 1,041 | 1,350 | 1,228 | 748 | 1,136 |
| Parks and Recreation | | | | | | | | | | |
| Dance Program | N/A | N/A | N/A | N/A | N/A | 150 | 196 | 200 | 200 | 175 |
| Day Camp Program | N/A | N/A | N/A | N/A | N/A | 110 | 78 | 96 | 79 | 84 |
| Girl's Softball | N/A | N/A | N/A | N/A | N/A | 105 | 115 | 96 | 67 | 52 |
| Adult Softball | N/A | N/A | N/A | N/A | N/A | 22 Teams | 22 Teams | 25 Teams | 36 Teams | 24 |
| Open Skating | N/A | N/A | N/A | N/A | N/A | 3,086 | 2,311 | 4,567 | 1,263 | 1,323 |
| Room Rentals | N/A | N/A | N/A | N/A | N/A | 338 | 297 | 321 | 392 | 579 |
| Library | | | | | | | | | | |
| Volumes in Collection | 72,304 | 72,304 | 72,304 | 72,304 | 87,368 | 101,980 | 108,961 | 116,262 | 100,881 | 103,489 |
| Public Works | | | | | | | | | | |
| Signs Installed/Replaced | 216 | 246 | 237 | 131 | 209 | 52 | 50 | 178 | 120 | 57 |
| Catch Basins Cleaned | 79 | 840 | 536 | 870 | 661 | 547 | 1,066 | 879 | 1,121 | 504 |
| Water Leaks/Main Breaks | 87 | 72 | 79 | 64 | 47 | 41 | 41 | 42 | 46 | 86 |
| Fire Hydrant Repaired/Painted | 91 | 423 | 82 | 134 | 140 | 321 | 203 | 673 | 366 | 293 |
| Internments | 48 | 55 | 60 | 50 | 54 | 21 | 41 | 43 | 48 | 41 |
| Water Purchased (Gallons) | 1,167,892 | 1,490,545 | 1,448,975 | 1,389,071 | 1,270,293 | 1,091,090 | 1,133,573 | 1,036,010 | 1,098,360 | 1,043,596 |

Source: Various City of Wayne Departments.

*On a calendar year basis ending December 31.

Schedule 19

**CITY OF WAYNE, MICHIGAN
CAPITAL ASSET STATISTICS BY FUNCTION/DEPARTMENT
LAST TEN FISCAL YEARS**

| <u>Department</u> | <u>FISCAL YEAR</u> | | | | | | | | | |
|-------------------------------|---------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>1999</u> | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
| City Manager | | | | | | | | | | |
| Vehicles Assigned | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Police Department | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Vehicles Assigned | N/A | N/A | 22 | 26 | 27 | 27 | 27 | 27 | 25 | 25 |
| Fire Department | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Vehicles Assigned | 10 | 9 | 9 | 9 | 9 | 9 | 8 | 8 | 8 | 9 |
| Public Works | | | | | | | | | | |
| Number of Buildings | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Vehicles Assigned | 29 | 29 | 31 | 31 | 30 | 30 | 30 | 30 | 34 | 30 |
| Miles of Major Streets | 31.93 | 31.93 | 31.93 | 31.93 | 31.93 | 31.93 | 31.93 | 31.93 | 31.93 | 31.93 |
| Miles of Local Streets | 41.31 | 41.31 | 41.31 | 41.31 | 41.56 | 41.56 | 41.56 | 41.56 | 41.56 | 41.56 |
| Water Mains (Miles) | 73 | 73 | 73 | 73 | 85.92 | 85.92 | 85.92 | 85.92 | 85.92 | 86 |
| Parks & Recreation | | | | | | | | | | |
| Number of Parks | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 |
| Acreage | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 164.61 |
| Vehicles Assigned | N/A | N/A | N/A | N/A | N/A | 14 | 14 | 14 | 14 | 14 |

Source: City of Wayne records.

CITY OF WAYNE, MICHIGAN
REPORT TO THE CITY COUNCIL
JUNE 30, 2008

POST, SMYTHE, LUTZ & ZIEL OF WAYNE, LLP
Certified Public Accountants

POST, SMYTHE, LUTZ & ZIEL OF WAYNE, LLP

Certified Public Accountants

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Sharon Walz Duckworth, C.P.A.
Cari Ford, C.P.A.
Wendy Leung Lee, C.P.A., C.V.A.

November 21, 2008

To the City Council
City of Wayne
3355 S. Wayne Road
Wayne, MI 48184

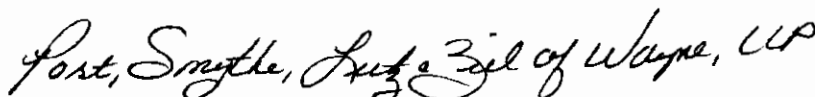
We have recently completed our audit of the basic financial statements of the City of Wayne, Michigan for the year ended June 30, 2008. In addition to the audit report, to comply with the new Statements of Auditing Standards (SAS) applicable to this fiscal year, we are providing the following:

Letter of increased audit communications as prescribed by SAS 112 - *Reporting on Internal Control*

Letter of required audit communications as prescribed by SAS 114 - *Information Related to Our Audit*

It has been a pleasure to be of service to the City of Wayne, Michigan. Should you have any questions regarding the comments in the report, please do not hesitate to call.

Respectfully submitted,



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REPORT ON INTERNAL CONTROL

November 21, 2008

To the City Council
City of Wayne
3355 S. Wayne Road
Wayne, MI 48184

Recently instituted national auditing standards call for auditor's to communicate matters to the governing body that may be useful in the oversight of the City of Wayne's financial management. Specifically, they require us to report internal control issues to the governing body that may be relatively minor, in order to allow it to evaluate their significance, and make any changes that may deem appropriate. In general, these are items that would have been discussed orally with management in the past. The purpose of these new standards are to allow the governing body an opportunity to discuss issues when they are relatively minor rather than waiting until they could possibly become more serious problems. We hope this Report on Internal Control will be helpful to you, and we look forward to being able to discuss any questions you may have concerning these issues.

In planning and performing our audit of the financial statements of the City of Wayne, Michigan as of and for the year ended June 30, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the City of Wayne, Michigan's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Governmental Unit's internal control. Accordingly, we do not express an opinion on the effectiveness of the Governmental Unit's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

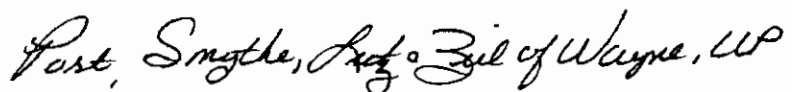
We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, we identified the following deficiencies in internal control that we consider to be significant deficiencies and we bring them to your attention since they meet the above definition of a matter to be communicated.

Adjusting journal entries - During the audit we provide assistance in identifying and posting accrual adjustments to the accounting records based on analytical workpapers prepared by the Finance Department. Accruals represent any adjustment other than cash that impact the accounting records (long-term debt, employee compensated absences, deferred bond charges, capital assets, depreciation, and worker's compensation claims, etc.). We are pleased to assist in this process, however, under the newly promulgated Statements on Auditing Standards we bring this to your attention since it meets the above definition of a matter to be communicated. Based on discussions with the finance department in the future, the generation of these journal entries will be undertaken by the department prior to our audit work.

Payroll preparation - The City's internal control over payroll relies extensively on layers of authorization from Department Heads to Human Resources to the City Manager and upon monitoring of expenditure detail within the departmental budgets. We noted, however, that when the payroll clerk prepares the payroll checks, no procedure has been in place for review and authorization prior to sending the checks to the Department Heads for distribution to employees. Upon discussion with the finance department this procedure has been implemented.

This communication is intended solely for the information and use of management, City Council, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



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INFORMATION RELATED TO OUR AUDIT

November 21, 2008

To the City Council
City of Wayne
3355 S. Wayne Road
Wayne, MI 48184

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Wayne, Michigan for the year ended June 30, 2008, and have issued our report thereon dated October 28, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and OMB Circular A-133

As stated in our engagement letter dated July 30, 2008, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered City of Wayne, Michigan's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether City of Wayne, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with OMB Circular A-133, we examined, on a test basis, evidence about City of Wayne, Michigan's compliance

with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" applicable to each of its major federal programs for the purpose of expressing an opinion on City of Wayne, Michigan's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on City of Wayne, Michigan's compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you by telephone prior to the start of the audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Wayne, Michigan are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2008. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

1. Management's estimate of the allowance for doubtful accounts is based on historical tax collections and on actual amounts transferred to third party collection agencies. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.
2. Management's estimate of accounts payable related to tax refunds related to the Michigan Tax Tribunal (MTT) changes is based on applicable millage rates and the current MTT taxable value. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The following material misstatements detected as a result of audit procedures were corrected by management: to adjust balances of long-term debt, employee compensated absences, deferred bond charges, capital assets, depreciation and worker's compensation claims.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 28, 2008.

Management Consultations with Other Independent Accountants

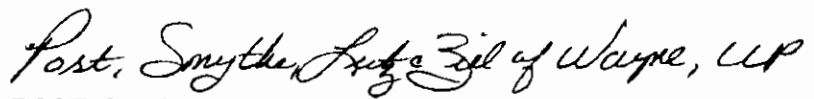
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the City Council and management of the City of Wayne, Michigan and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,


POST, SMYTHE, LUTZ & ZIEL OF WAYNE, LLP
Certified Public Accountants